

Stock Code: 8432



東生華製藥股份有限公司
tsh biopharm corporation ltd.

Handbook for the Year 2022 Annual Shareholders' Meeting

Held in form of: Physical Shareholders Meeting

Meeting Date: May 25, 2022

Meeting Venue: International Convention Center of Nangang
Software Park

(Building A, 2F., No. 19-10, Sanchong Rd.,
Nangang Dist., Taipei City, Taiwan)

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I. Meeting Agenda

TSH Biopharm Corporation, Ltd.

Agenda of 2022 Annual General Shareholders' Meeting

Time: May 22, 2022 (Wednesday), 9:00 AM,

Venue: Building A, 2F., No. 19-10, Sanchong Rd., Nangang Dist., Taipei City,
Taiwan (International Convention Center of Nangang Software Park)

Meeting Procedure:

1. Call the Meeting to Order (announcement of attending shares)
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Report Items
 - (1) Year 2021 Business Report
 - (2) Audit Committee's Review Report on the year 2021 Financial Statements
 - (3) Report on Employees' and Directors' Remuneration for the year 2021
5. Ratification Items
 - (1) Year 2021 Business Report and Financial Statements
 - (2) Year 2021 Earnings Distribution.
6. Discussion Items
 - (1) Amendment to "Regulations for Election of Directors"
 - (2) Amendment to "Procedures for Acquisition or Disposal of Assets"
7. Election Item
 - (1) By-election for an Independent Director
8. Questions and Motions
9. Adjournment

II. Report Items

Report No. 1

Year 2021 Business Report

Description: Please refer to Annex 1 (page 23~27) for the year 2021 Business Report.

Report No. 2

Audit Committee's Review Report on the year 2021 Financial Statements

Description:

1. The Financial Statements, Business Report and Profit Distribution Table of year 2021 have been reviewed by the Audit Committee.
2. Please refer to Annex 2 (page 28) for the Audit Committee's Review Report.

Report No. 3

Report on Employees and Directors' Remuneration for the year 2021

Description: Before the remuneration of employees and directors, the Company's net profit before tax is NT\$ 64,112,533 in 2021. Pursuant to Article 29 of the Articles of Incorporation, 2% and 2% of profit before tax amounting to NT\$1,282,251 and NT\$1,282,250 shall be as allocated as employees and directors remuneration, respectively and the total amount will be distributed in cash. There will be no difference between the above amount and the amount recognized as expenses in 2021.

III. Ratification Items

Item One

(Proposed by the Board of Directors)

Year 2021 Business Report and Financial Statements

Description:

1. The Company's year 2021 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 CPA and Kuo-Yang Tzeng CPA of KPMG Taiwan, with "Unqualified Opinion".
2. The Company's year 2021 Business Report and Financial Statements have been reviewed by the Audit Committee and proposed and requested for acknowledgement.
3. Please refer to Annex 1 (page 23~27) and Annex 3 (page 29~36) for the Business Report and Financial Statements.

Resolution:**Item Two**

(Proposed by the Board of Directors)

Year 2021 Earnings Distribution

Description:

1. Allocation of cash dividend proposed by the Board of Directors is total of NT\$ 57,597,210 or NT\$ 1.5 per share according to the shareholders and their number of shares listed in the shareholders register on the ex-dividend date. Cash dividends will be rounded down to the nearest dollar. The fractional balance of cash dividends less than NT\$1 will be summed up and recognized as other income of the Company. Upon the approval of the Annual Shareholders' Meeting, it is proposed that the Chairperson shall be 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 earnings distribution will be changed accordingly. It is proposed that the Chairperson is fully authorized by the Shareholders' Meeting to handle relevant matters.
3. Year 2021 profit distribution table is given below:

TSH Biopharm Corporation Ltd.
Profit Distribution Table
Year 2021

Unit: NT\$

Items	Amount	Note
Beginning retained earnings	84,445,129	
Less: Disposal of investments in equity instruments designated at fair value through other comprehensive income	(20,543,036)	
Add: Net profit after tax	47,107,325	
Less: 10% legal reserve	(2,656,429)	
Distributable net profit:	108,352,989	
Distributable Items:		
Cash dividend	57,597,210	Cash Dividend: NT\$ 1.50 per share.
Unappointed retained earnings	50,755,779	

Note: The aforementioned dividends are calculated based on 38,398,140 shares issued by the Company as of March 4, 2022.

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

Resolution:

IV. Discussion Items

Item One

(Proposed by the Board of Directors)

Amendment to “Regulations for Election of Directors”

Description:

1. The “Regulations for Election of Directors” are proposed to amend in accordance with the amendments of applicable laws and the actual operational needs.
2. Please refer to the following table for the amendment comparison of the “Regulations for Election of Directors”.

Before amendment	After amendment	Description of amendment
<p>Article 3</p> <p>The open-ballot, cumulative voting method will be used for election of the directors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	<p>Article 3</p> <p>The cumulative voting method shall be used for election of the directors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.</p>	Word Modification.
<p>Article 4</p> <p>In the election for the directors, unless otherwise provided by laws and regulations, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected.</p> <p>Omitted.</p>	<p>Article 4</p> <p>In the election for the directors, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected.</p> <p>Omitted.</p>	Amendment was made in correspondence with the Article 198 of the Company Act.
<p>Article 5</p> <p>The number of independent directors and non-independent directors will be as specified in the Company's Articles of Incorporation and approved by the Board of Directors, and the election for both independent and non-independent directors shall be held in the same time with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions,</p>	<p>Article 5</p> <p>The number of directors of the Company will be as specified in the Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.</p>	Word Modification.

Before amendment	After amendment	Description of amendment
<p>they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.</p> <p>The calculation of voting rights specified in the preceding paragraph shall include the voting rights that have been exercised through both electronic voting system and ballots on site at Shareholders' Meeting.</p>	<p>The calculation of voting rights specified in the preceding paragraph shall include the voting rights that have been exercised through both electronic voting system and ballots on site at Shareholders' Meeting.</p>	
<p>Article 8</p> <p>The Board of Directors shall set up the ballot cabinet and have such cabinet checked by scrutinizer in public before the voting.</p>	<p>Article 8</p> <p>The ballot box shall be set up by the Board of Directors and such box shall be checked by scrutinizer in public before the voting.</p>	<p>Word Modification.</p>
<p>Article 9</p> <p>If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot and throw in the ballot cabinet. If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.</p>	<p>Article 9</p> <p>The voter must fill in the candidate's name or shareholder's account name in the "Candidate" box on the ballot. However, if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name alone; or fill in both the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.</p>	<ol style="list-style-type: none"> 1. Amendment was made in correspondence with the candidate nomination system adopted for the election of the Company's directors. The nominated list of director, including names, background and past work experience, will be released before Shareholders' Meeting, hence it is unnecessary for shareholders to fill in candidates' account number or identification number when voting. 2. Word Modification.

Before amendment	After amendment	Description of amendment
<p>Article 10</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> 1. A ballot is not prepared according this regulation. 2. The blank ballot was cast in the ballot cabinet. 3. Illegible handwriting or corrections without regulation compliance after erased or changed. 4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list. If the write-in candidate is not a shareholder, the candidate’s name, ID or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent. 5. The number of write-in candidates is two or more than two candidates. 6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card number. 7. The write-in candidate’s name is same as another shareholder but does not provide account number or ID number to verify. 	<p>Article 10</p> <p>A ballot is invalid under any of the circumstances listed below.</p> <ol style="list-style-type: none"> 1. A ballot not prepared by meeting convener. 2. The blank ballot was cast in the ballot box. 3. Illegible handwriting or being erased or altered. 4. If the write-in candidate written on the ballot is inconsistent with the nomination list. 5. The number of write-in candidates is two or more than two candidates. 6. Other words or marks are written in addition to the candidate name or shareholder account name. 	<ol style="list-style-type: none"> 1. Amendment was made in correspondence with Article 173 of the Company Act - If the Board of Directors fails to give a notice for convening a meeting, shareholder may, after obtaining an approval from the competent authority, convene a meeting on his/their own. 2. The candidate nomination system is adopted for the election of the Company’s directors. The nominated list of director candidates, including names, background and past work experience, will be released before Shareholders’ Meeting; hence it is unnecessary for shareholders to fill in candidates’ account number or identification number when voting. The original Paragraph 4 and 6 were altered and Paragraph 7 was deleted. 3. Word Modification for Paragraphs 2 and 3.
<p>Article 11</p> <p>Ballot cabinets are set up for the election of</p>	<p>Article 11</p> <p>Ballot boxes are set up for the election of</p>	<p>Word Modification.</p>

Before amendment	After amendment	Description of amendment
directors and will be opened by the scrutineers after voting.	directors and will be opened by the scrutineers after voting.	
<p>Article 12</p> <p>The ballots shall be counted immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.</p>	<p>Article 12</p> <p>The ballots shall be counted immediately under the supervision of the scrutinizer(s). The results of election, including the list of elected directors and unelected directors, and their corresponding received votes, shall be announced by the Chairman at the spot.</p>	<p>Amendment was made in correspondence with actual needs of the Company, adding the contents of announcement, including the list of elected directors and unelected directors, and their corresponding received votes.</p>
<p>Article 14</p> <p>These Rules and any revision thereof shall be effective once approved by a shareholders' meeting.</p> <p>These Procedures was established on December 20, 2010.</p> <p>The first amendment to these Procedures was made on June 12, 2012.</p> <p>The second amendment to these Procedures was made on June 13, 2014.</p> <p>The third amendment to these Procedures was made on June 15, 2017.</p>	<p>Article 14</p> <p>These Rules and any alteration thereof shall be effective once approved by a shareholders' meeting.</p> <p>These Procedures was established on December 20, 2010.</p> <p>The first amendment to these Procedures was made on June 12, 2012.</p> <p>The second amendment to these Procedures was made on June 13, 2014.</p> <p>The third amendment to these Procedures was made on June 15, 2017.</p> <p>The fourth amendment to these Procedures was made on May 25, 2022.</p>	<ol style="list-style-type: none"> 1. Word modification. 2. Add the date of amendment.

Resolution:

Item Two

(Proposed by the Board of Directors)

Amendment to “Procedures for Acquisition or Disposal of Assets”

Description:

1. The “Procedures for Acquisition or Disposal of Assets” of the Company is proposed to amend in line with Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission.
2. Please refer to the following table for the amendment comparison of the “Procedures for Acquisition or Disposal of Assets” of the Company.

Before amendment	After amendment	Description of amendment
<p>Article 1</p> <p>Legal Basis:</p> <p>These Procedures are amended in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the Financial Supervisory Commission and related regulations.</p>	<p>Article 1</p> <p>Legal Basis:</p> <p>These Procedures are adopted in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the “ Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the Financial Supervisory Commission and related regulations.</p>	<p>Word Modification.</p>
<p>Article 2</p> <p>Scope of Assets:</p> <p>The term "assets" as used in these Procedures includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property) and equipment. 3. Membership cards. 4. Patents, copyrights, trademarks, franchise rights and other intangible assets. 5. Right-of-use assets. 6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables). 	<p>Article 2</p> <p>Scope of Assets:</p> <p>The term "assets" as used in these Procedures includes the following:</p> <ol style="list-style-type: none"> 1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depository receipts, call (put) warrants, beneficial interest securities, and asset-backed securities. 2. Real property (including land, houses and buildings, investment property) and equipment. 3. Membership cards. 4. Patents, copyrights, trademarks, franchise rights, drug permit license and other intangible assets. 5. Right-of-use assets. 6. Claims of financial institutions (including receivables, bills purchased and discounted, 	<p>Drug permit license is specifically included in the scope.</p>

Before amendment	After amendment	Description of amendment
<p>7. Derivatives.</p> <p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>9. Other major assets.</p> <p>Related matters of acquisition and disposal of such assets shall be processed in accordance with these Procedures hereto.</p>	<p>loans, and overdue receivables).</p> <p>7. Derivatives.</p> <p>8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.</p> <p>9. Other major assets.</p> <p>Related matters of acquisition and disposal of such assets shall be processed in accordance with these Procedures hereto.</p>	
<p>Article 4</p> <p>Operation Procedures for Acquisition or Disposal of Assets:</p> <p>1. Omitted.</p> <p>2. Evaluation Procedures and Workflow</p> <p>A. Acquisition of securities shall be evaluated by Finance and Accounting Department. With respect to acquisition of real property, right-of-use assets and other fixed assets, demanding unit shall first prepare a capital expenditure plan and compile capital expenditure budget after Finance and Accounting Department conducts feasibility assessment. Such capital expenditure budget shall be submitted to the General Manager and the Chairman (or the Board of Directors) for approval, and the plan shall be implemented and controlled according to the contents of the plan. For Acquisition of long-term equity investments, Finance and Accounting department shall be responsible for the feasibility assessment, and such assessment shall be submitted to the Chairman and the Board of Directors for approval. With respect to acquisition of memberships and intangible assets such as patents, copyrights, trademarks, franchise rights, etc., R&D units shall conduct feasibility assessment, and then submitted to the Chairman and the Board of Directors for approval. With respect to research and development agreements, feasibility assessment shall be conducted by R&D units and then submitted to the General Manager (or the Chairman, or the Board of</p>	<p>Article 4</p> <p>Operation Procedures for Acquisition or Disposal of Assets:</p> <p>1. Omitted.</p> <p>2. Evaluation Procedures and Workflow</p> <p>A. Acquisition of securities shall be evaluated by Finance and Accounting Department, and such evaluation shall be submitted to the Chairman and the Board of Directors for approval. With respect to acquisition of real property, right-of-use assets and other fixed assets, demanding unit shall first prepare a capital expenditure plan and compile capital expenditure budget after Finance and Accounting Department conducts feasibility assessment. Such capital expenditure budget shall be submitted to the General Manager and the Chairman (or the Board of Directors) for approval, and the plan shall be implemented and controlled according to the contents of the plan. For Acquisition of long-term equity investments, Finance and Accounting department shall be responsible for the feasibility assessment, and such assessment shall be submitted to the Chairman and the Board of Directors for approval. With respect to acquisition of memberships and intangible assets such as patents, copyrights, trademarks, franchise rights, etc., R&D units shall conduct feasibility assessment, and then submitted to the Chairman and the Board of Directors for approval. With respect to</p>	<p>Specify the evaluation and the operation procedure of securities.</p>

Before amendment	After amendment	Description of amendment
<p>Directors) for approval.</p> <p>B. Omitted.</p>	<p>research and development agreements, feasibility assessment shall be conducted by R&D units and then submitted to the General Manager (or the Chairman, or the Board of Directors) for approval.</p> <p>B. Omitted.</p>	
<p>Article 5</p> <p>Price determination methods and reference basis for acquisition or disposal of assets shall be as follows:</p> <ol style="list-style-type: none"> 1. With respect to real property and except for transaction with government institutions, commissioned building on self-owned land, commissioned building on rented land, or acquisition or disposal for business utilization purpose, appraisal report from a professional appraisal company shall be obtained in accordance with Paragraph 1 of Article 7 hereto, and appraisal result shall serve as basis for price determination. Price determination level shall be in line with authorization from the Board of Directors' Meeting. 2. Price determination for securities acquired or disposed through Centralized Securities Exchange Market or Taipei Exchange shall be based on market transaction price. 3. With respect to securities acquired or disposed from non-centralized securities exchange market, Finance and Accounting department shall comply with Article 4 hereto and assess reasonable prices which shall serve as references for price negotiation. Price will then be determined through both parties' negotiation. 	<p>Article 5</p> <p>Price determination methods and reference basis for acquisition or disposal of assets shall be as follows:</p> <ol style="list-style-type: none"> 1. With respect to real property, equipment or righ-of-use assets and except for transaction with government institutions, commissioned building on self-owned land, commissioned building on rented land, or acquisition or disposal for business utilization purpose, appraisal report from a professional appraisal company shall be obtained in accordance with Paragraph 1 of Article 7 hereto, and appraisal result shall serve as basis for price determination. Price determination level shall be in line with authorization from the Board of Directors' Meeting. 2. Price determination for securities acquired or disposed through Centralized Securities Exchange Market or Taipei Exchange shall be based on market transaction price. 3. With respect to securities acquired or disposed not from Centralized Securities Exchange Market or Taipei Exchange, Finance and Accounting department shall comply with Article 4 hereto and assess reasonable prices which shall serve as references for price negotiation. Price will then be determined through both parties' negotiation. 	<p>Word Modification.</p>
<p>Article 6</p> <p>Public Announcement Procedures:</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website of Market Observation Post System in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p>	<p>Article 6</p> <p>Public Announcement Procedures:</p> <p>Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website of Market Observation Post System in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the</p>	<ol style="list-style-type: none"> 1. Word Modification. 2. In consideration of the current public companies that they have been

Before amendment	After amendment	Description of amendment
<p>1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets or right-of-use assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>2. Omitted.</p> <p>3. Omitted.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:</p> <p>(1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.</p> <p>(2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction does not exceed NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to</p>	<p>event:</p> <p>1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets or right-of-use assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).</p> <p>2. Omitted.</p> <p>3. Omitted.</p> <p>4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount reaches NT\$500 million or more.</p> <p>5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction reaches NT\$500 million.</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic bonds or foreign public bonds with a credit rating not lower</p>	<p>exempted from the announcement and declaration for the purchase and sale of domestic public bonds, they may also be exempted from the announcement if their trading credit rating is not lower than Taiwan's sovereign rating of foreign public bonds.</p>

Before amendment	After amendment	Description of amendment
<p>the following circumstances:</p> <p>(1) Trading of domestic bonds.</p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises (SITE).</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on website of Market Observation Post System within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. <p>Remainder omitted.</p>	<p>than Taiwan's sovereign rating.</p> <p>(2) Trading of bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises (SITE).</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the aforementioned article, a public report of relevant information shall be made on website of Market Observation Post System within 2 days counting inclusively from the date of occurrence of the event:</p> <ol style="list-style-type: none"> 1. Change, termination, or rescission of a contract signed in regard to the original transaction. 2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract. 3. Change to the originally publicly announced and reported information. <p>Remainder omitted.</p>	
<p>Article 7</p> <p>Obtaining Expert Reports:</p> <p>When acquiring or disposing assets, the Company shall appoint objective, impartial and independent experts to issue reports according to the types of assets and the following provisions:</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal</p>	<p>Article 7</p> <p>Obtaining Expert Reports:</p> <p>When acquiring or disposing assets, the Company shall appoint objective, impartial and independent experts to issue reports according to the types of assets and the following provisions:</p> <p>In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use,</p>	<p>Amendment was made in accordance with Order No. Financial-Supervisory-Securities-Corporate-1110380465 of the Financial Supervisory Commission, and some words were modified.</p>

Before amendment	After amendment	Description of amendment
<p>report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ol style="list-style-type: none"> (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. Omitted. <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in</p>	<p>shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <ol style="list-style-type: none"> 1. Omitted. 2. Omitted. 3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: <ol style="list-style-type: none"> (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. Omitted. <p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by</p>	

Before amendment	After amendment	Description of amendment
<p>accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.</p> <p>Where the Company acquires or disposes of memberships or intangible assets thereof or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the Company is required to obtain appraisal</p>	<p>regulations of the Financial Supervisory Commission.</p> <p>Where the Company acquires or disposes of memberships or intangible assets thereof or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p> <p>Omitted.</p> <p>Omitted.</p> <p>Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements, and when issuing an appraisal report or opinion, the personnel shall comply with the provisions of Paragraph 2, Article 5 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies":</p> <p>(1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</p> <p>(2) May not be a related party or de facto related party of any party to the transaction.</p> <p>(3) If the Company is required to obtain appraisal</p>	

Before amendment	After amendment	Description of amendment
<p>reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	<p>reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.</p>	
<p>Article 9 Procedures for Related Party Transactions:</p> <ol style="list-style-type: none"> 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with regulations. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 6, Article 7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors: <ol style="list-style-type: none"> (1) The purpose, necessity and anticipated benefit of 	<p>Article 9 Procedures for Related Party Transactions:</p> <ol style="list-style-type: none"> 1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with regulations. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 6, Article 7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered. 2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or foreign public bonds with a credit rating not lower than Taiwan's sovereign rating, bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or 	<ol style="list-style-type: none"> 1. The order was adjusted. 2. Word Modification. 3. In order to strengthen the management of trading with related party and protect the rights of minority shareholders of public companies to express their opinions on the trading between the Company and related parties, the regulations related to the trading with related party of major international capital markets such as Singapore, Hong Kong are referred and proposed in the Shareholders' Meeting for approval in advance.

Before amendment	After amendment	Description of amendment
<p>the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with regulations.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that first have been approved by one-half or more of all Audit Committee members and then submitted to the Board of Directors for a resolution need not be counted toward the transaction amount.</p> <p>If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>With respect to the types of transactions listed below,</p>	<p>make a payment until the following matters have been approved by the Board of Directors:</p> <p>(1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(2) The reason for choosing the related party as a transaction counterparty.</p> <p>(3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.</p> <p>(4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with regulations.</p> <p>(7) Restrictive covenants and other important stipulations associated with the transaction.</p> <p>If the Company or its subsidiary which is not a domestic public company having the trading in the preceding paragraph, and the trading amount is more than 10% of the Company's total assets, the Company shall submit the information listed in the preceding paragraph to the Shareholders' Meeting for approval before entering into trading, signing contracts and making payments. However, this does not apply in the case for the trading between the Company and its parent company, its subsidiaries, or between subsidiaries.</p> <p>With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds</p>	<p>Therefore, the amendment was made.</p> <p>4. The paragraphs were shifted.</p> <p>5. In line with the amendment to the provisions, the calculation of the trading amount shall be included in the trading submitted to the Shareholders' Meeting for approval.</p>

Before amendment	After amendment	Description of amendment
<p>when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 4 delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>3. Omitted.</p> <p>4. When the results of the Company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2, Paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as</p>	<p>100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to "Internal Approval Authority Guidelines" delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:</p> <p>(1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.</p> <p>(2) Acquisition or disposal of real property right-of-use assets held for business use.</p> <p>The calculation of the transaction amounts shall be made in accordance with Paragraph 2, Article 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that first have been approved by one-half or more of all Audit Committee members and then submitted to the Shareholders' Meeting and the Board of Directors for a resolution need not be counted toward the transaction amount.</p> <p>If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.</p> <p>3. Omitted.</p> <p>4. When the results of the Company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2, Paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA</p>	

Before amendment	After amendment	Description of amendment																								
<p>announced by the Ministry of Finance, whichever is lower.</p> <p>Remainder omitted.</p>	<p>have been obtained, this restriction shall not apply:</p> <p>(1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:</p> <p>a. Where undeveloped land is appraised in accordance with the means in the preceding paragraph, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.</p> <p>Remainder omitted.</p>																									
<p>Article 10 Procedures for Acquisition or Disposal of Derivatives: (1) Trading principles and strategies: Omitted. A. Omitted. B. Omitted. C. Omitted. D. Omitted. E. The total amount of contracts and the maximum loss limit for the Company to engage in trading of derivatives: a. Omitted. b. Authorized amount:</p> <table border="1" data-bbox="124 1787 695 1966"> <thead> <tr> <th>Level-</th> <th>Daily trading limit-</th> <th>Net cumulative position-</th> </tr> </thead> <tbody> <tr> <td>Board of Directors-</td> <td>More than USD\$ 1 million (excluded)-</td> <td>More than USD\$ 1.5 million (excluded)-</td> </tr> <tr> <td>Chairman-</td> <td>Less than USD\$ 1 million (included)-</td> <td>Less than USD\$ 1.5 million (included)-</td> </tr> <tr> <td>General Manager-</td> <td>Less than USD\$ 100 thousand (included)-</td> <td>Less than USD\$ 300 thousand (included)-</td> </tr> </tbody> </table> <p>Remainder omitted.</p>	Level-	Daily trading limit-	Net cumulative position-	Board of Directors-	More than USD\$ 1 million (excluded)-	More than USD\$ 1.5 million (excluded)-	Chairman-	Less than USD\$ 1 million (included)-	Less than USD\$ 1.5 million (included)-	General Manager-	Less than USD\$ 100 thousand (included)-	Less than USD\$ 300 thousand (included)-	<p>Article 10 Procedures for Acquisition or Disposal of Derivatives: (1) Trading principles and strategies: Omitted. A. Omitted. B. Omitted. C. Omitted. D. Omitted. E. The total amount of contracts and the maximum loss limit for the Company to engage in trading of derivatives: a. Omitted. b Authorized amount:</p> <table border="1" data-bbox="727 1798 1270 1977"> <thead> <tr> <th>Level-</th> <th>Daily trading limit-</th> <th>Net cumulative position-</th> </tr> </thead> <tbody> <tr> <td>Board of Directors-</td> <td>More than USD\$ 1 million (excluded)-</td> <td>More than USD\$ 1.5 million (excluded)-</td> </tr> <tr> <td>Chairman-</td> <td>Less than USD\$ 1 million (included)-</td> <td>Less than USD\$ 1.5 million (included)-</td> </tr> <tr> <td>General Manager-</td> <td>Less than USD\$ 300 thousand (included)-</td> <td>Less than USD\$ 600 thousand (included)-</td> </tr> </tbody> </table> <p>Remainder omitted.</p>	Level-	Daily trading limit-	Net cumulative position-	Board of Directors-	More than USD\$ 1 million (excluded)-	More than USD\$ 1.5 million (excluded)-	Chairman-	Less than USD\$ 1 million (included)-	Less than USD\$ 1.5 million (included)-	General Manager-	Less than USD\$ 300 thousand (included)-	Less than USD\$ 600 thousand (included)-	<p>Amendment was made according to "Internal Approval Authority Guidelines".</p>
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Before amendment	After amendment	Description of amendment
<p>Article 13</p> <p>Control Procedures for Subsidiaries’ Acquisition or Disposal of Assets:</p> <p>(1) Subsidiaries hereto shall stipulate asset acquisition or disposal procedures in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>(2) When a subsidiary acquires or disposes of assets, the subsidiary shall provide the Company with relevant information to audit.</p> <p>(3) For a subsidiary which is not a public company and acquisition or disposal of asset meeting mandatory announcement or report standards prescribed in Article 6, matters of announcement or report shall be conducted by the Company.</p>	<p>Article 13</p> <p>Control Procedures for Subsidiaries’ Acquisition or Disposal of Assets:</p> <p>(1) Subsidiaries hereto shall stipulate asset acquisition or disposal procedures in accordance with “Regulations Governing the Acquisition and Disposal of Assets by Public Companies.”</p> <p>(2) When a subsidiary acquires or disposes of assets, the subsidiary shall provide the Company with relevant information to audit.</p> <p>(3) For a subsidiary which is not a public company and acquisition or disposal of asset meeting mandatory announcement or report standards prescribed in Article 6, matters of announcement or report shall be conducted by the Company.</p>	<p>Word Modification.</p>
<p>Article 16</p> <p>Additional Provisions</p> <p>Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company’s related rules and requirements.</p> <p>These Procedures were established on December 20, 2010.</p> <p>The first amendment was made on June 12, 2012.</p> <p>The second amendment was made on June 13, 2014.</p> <p>The third amendment was made on June 15, 2017.</p> <p>The fourth amendment was made on June 18, 2019</p> <p>The fifth amendment was made on May 29, 2020.</p>	<p>Article 16</p> <p>Additional Provisions</p> <p>Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company’s related rules and requirements.</p> <p>These Procedures were established on December 20, 2010.</p> <p>The first amendment was made on June 12, 2012.</p> <p>The second amendment was made on June 13, 2014.</p> <p>The third amendment was made on June 15, 2017.</p> <p>The fourth amendment was made on June 18, 2019</p> <p>The fifth amendment was made on May 29, 2020.</p> <p>The sixth amendment was made on May 25, 2022.</p>	<p>Adding a revised date.</p>

Resolution:

V. Election Items

Item One

(Proposed by the Board of Directors)

By-election for an independent director.

Description:

1. Mr. Yi-Min Wang, the former independent director of the Company, resigned on April 15, 2022 due to his busy business, and the vacant independent director position will be elected in the 2022 General Shareholders' Meeting.
2. According to the Articles of Incorporation, one independent director will be elected through the candidate nomination procedure. The service term for the elected Director is the same as that of the former Director, which is from May 25, 2022 to May 28, 2023.
3. The Director candidate list was reviewed and resolved by the Board of Directors on April 14, 2022. Please refer to Annex 4 (Page 37) for the list.

Voting Result:

VI. Questions and Motions

VII. Adjournment

VIII. Annexes

Annex 1

TSH Biopharm Business Report

The Company's Business Result for Year 2021

(1) Business Plan Implementation Result

The Company's net operating revenue in 2021 is NT\$ 413,483,000 with a decrease of NT\$34,479,000 (7.68%) from NT\$ 447,862,000 of 2020. The net profit after tax in 2021 is NT\$ 47,108,000 (23.49 %) with a decrease of NT\$ 14,462,000 from NT\$ 61,570,000 of 2020. The revenue mainly comes from cardiovascular diseases, gastrointestinal diseases and precision medical related testing products. The reduction is caused by the impact of epidemic in 2021, the reduction of outpatient visits in various medical institutions and the closure of some health examination centers, resulting in a decline in product sales, plus 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 2021 is NT\$ 413,483,000, achieving 81% of the annual budget target.

(3) Financial Income & Expenditure and Profitability Analysis

Item	Year	2021
Financial Income & Expenditure	Interest Income (in thousand dollars)	2,099
	Interest Expense (in thousand dollars)	80
Profitability Analysis	Return on Asset (%)	3.93
	Return on Shareholder's Equity (%)	4.35
	Net Profit Margin (%)	11.39
	Diluted Earnings Per Share (in dollars)	1.23

(4) Research & Development

The achievements on the introduction and development of new products in 2021 are summarized below

- March 2021:
Cancer and non-cancer detection products for the Taiwan market was licensed by a NASDAQ listed company.
- November 2021:
Preliminary clinical trial of ABTA19, a new high-tech compound drug for cardiovascular disorders, was started.

- December 2021:
The new compound drug R19 for lowering blood lipids in Taiwan was launched.
- December 2021:
Alprosm Lyophilized Powder for Injection for the palliative treatment of peripheral arterial diseases was launched in Taiwan.

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. By the end of 2021, TSH has obtained three drug certificates including Rancad[®] Extended Release Tablet, R19 the new compound drug tablet for lowering blood lipids, and Alprosm Lyophilized Powder for Injection and will continue to develop new products on the market.

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 2022

(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 2020, we have launched the new drug Rancad[®], and actively seek for the health insurance payment for Rancad[®] to benefit angina patients in Taiwan. In the second half of year 2021, TSH obtained the drug permit of launching the new compound drug, Cretol Tablet for lowering blood lipids in Taiwan, and won the patent lawsuit with Merck Sharp & Dohme Corporation. In the same month, TSH also obtained the drug license for Alprosm Lyophilized Powder for Injection, which will add a new source of business performance to the existing product portfolio.

In the past two years, we have also invested in the evaluation and development of several new projects, and a total of six drug development projects are currently underway. More than half of the projects are self-developed products with global sales rights (marketing rights from Taiwan to China, the United States, Japan and Europe, etc.). In the future, we will also actively cooperate with overseas companies for licensing opportunities in addition to the evaluation of R&D projects that are in line with the company's development, not only building up and optimizing the R&D portfolio (Pipeline), but also increasing the opportunities and income of licensing.

In addition to the original genetic testing products at the time of establishment, the patient care team has also joined the research of the endometrial cancer MPaP[®] DNA test developed in Taiwan and has obtained the product agency from Nasdaq listed companies of Korea and Germany. In addition to the testing products, various types of medical materials are evaluated extensively, hoping to improve the life quality of chronic patients.

Continuing from 2021, it is also expected that new products will be launched in 2022 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 162,120,000 oral preparations and 88,000 injection preparations in 2022. 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. In addition, the temperature control of storage and transportation is an important factor for maintaining the quality of medicines in the entire distribution chain. Therefore, the company cooperates with the government to implement the Good Distribution Practice (GDP) for western medicines, and includes active pharmaceutical ingredients (APIs) into the scope of the Company's GDP.

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 and provide internationally certified testing products to target groups and physicians with the best tools for cancer risk and cancer treatment, with the assistance and cooperation provided by German testing companies in 2021.

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 human 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:

Focus: Aim at the patients, and strive to improve their life quality and unmet medical needs

Innovation: Create a portfolio of medical products, work on the joint development of new ingredients, special dosage forms, chronic disease treatment, multiple genetic testing technologies, cancer detection, post-cancer tumor tracking, innovative therapies, etc.

Excellence: Become the best partner with international innovative biopharmaceutical companies for the development and marketing of new drugs in Asia

Impact 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. The clinical trials conducted by TSH in 2021 were also subject to delays of about 3~6 months, and appropriate adjustments and risk assessments will also be made for product development and licensing plans in the future.

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 2021, and

it is expected that progress can be made by 2022.

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 2021 business report, financial report, and profit distribution table, and 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 have 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 2022

Audit Committee Convener: Chih Li Wang

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, 2021 and 2020, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the years ended December 31, 2021 and 2020, 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, 2021 and 2020 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(5) 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 4, 2022

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.

(English Translation of the Parent Company Only Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd.
Balance Sheets
December 31, 2021 and 2020
(Expressed in thousands of New Taiwan Dollars)

Assets		December 31, 2021		December 31, 2020		Liabilities and Equity		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (notes 6(1) and (19))	\$ 381,887	33	\$ 396,701	32	2150	Notes payable (note 6(19))	\$ 441	-	1,469	-
1120	Current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13)	52,929	5	62,216	5	2170	Accounts payable (note 6(19))	5,833	-	2,835	-
1150	Notes receivable, net (notes 6(3) 、(16) and (19))	14,716	1	15,577	1	2180	Accounts payable to related parties (notes 6(19) and 7)	6,445	1	3,114	-
1170	Accounts receivable, net (notes 6(3) 、(16) and (19))	84,131	7	90,881	8	2200	Other payables (notes 6(10) 、(19) and 7)	60,409	5	70,118	6
1180	Accounts receivable from related parties (notes 6(3) 、(16) 、(19) and 7)	218	-	2,421	-	2230	Current income tax liabilities	7,102	1	15,651	1
1200	Other receivables (notes 6(4) 、(19) and 7)	1,064	-	2,981	-	2280	Current lease liabilities (notes 6(11) 、(19) 、(22) and 7)	4,567	-	4,365	-
130x	Inventories (note 6(5))	73,219	6	77,906	6	2300	Other current liabilities	1,003	-	1,066	-
1476	Other financial assets – current (notes 6(1) 、(9) and (19))	298,589	26	266,751	22			85,800	7	98,618	7
1479	Other current assets (notes 6(9))	13,219	1	28,407	2						
		919,972	79	943,841	76	2580	Non-current liabilities:				
							Non-current lease liabilities (notes 6(11) 、(19) 、(22) and 7)	-	-	4,418	-
							Total liabilities	85,800	7	103,036	7
	Non-current assets:						Equity (note 6(2) and (14)) :				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(19) and 13)	211,767	18	240,804	20						
1600	Property, plant and equipment (note 6(6))	22,792	2	25,255	2	3100	Capital stock	383,981	33	383,981	31
1755	Right-of-use assets (note 6 (7))	4,567	1	8,783	1	3200	Capital surplus	459,361	39	458,977	38
1780	Intangible assets (note 6 (8))	3,628	-	6,180	1		Retained earnings :				
1840	Deferred income tax assets (note 6 (13))	2,010	-	1,256	-	3310	Legal reserve	113,065	10	97,016	8
1920	Refundable deposits paid (notes 6(9) 、(19) and 7)	4,393	-	2,636	-	3350	Unappropriated retained earnings	111,010	10	169,610	14
1984	Other non-current financial assets (notes 6(9) and (19))	297	-	625	-	3400	Other equity	16,209	1	16,760	2
		249,454	21	285,539	24		Total equity	1,083,626	93	1,126,344	93
	Total assets	\$ 1,169,426	100	\$ 1,229,380	100		Total liabilities and equity	\$ 1,169,426	100	\$ 1,229,380	100

See accompanying notes to financial statements

(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, 2021 and 2020

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

	2021		2020	
	AMOUNT	%	AMOUNT	%
4000 Operating revenue (notes 6(16) and 7)	\$ 413,483	100	\$ 447,862	100
5000 Operating costs (notes 6(5) and 7)	166,125	40	162,670	36
Gross profit	247,358	60	285,192	64
6000 Operating expenses (notes 6(3)、(12)、(17)、7 and 12):				
6100 Selling expenses	120,215	29	124,836	28
6200 Administrative expenses	48,113	12	57,474	13
6300 Research and development expenses	23,515	6	28,681	6
6450 Expected credit loss (gain)	(100)	-	(103)	-
	191,743	47	210,888	47
Operating income	55,615	13	74,304	17
Non-operating income and expenses (notes 6(11)、(18) and 7):				
7100 Interest income	2,099	1	2,238	-
7010 Other income	48	-	57	-
7020 Other gains and losses	3,867	1	660	-
7050 Finance costs	(80)	-	(27)	-
	5,934	2	2,928	-
Profit before tax	61,549	15	77,232	17
7950 Income tax expense (note 6(13))	(14,441)	(3)	(15,662)	(3)
Profit for the year	\$ 47,108	12	\$ 61,570	14
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	(21,094)	(5)	8,928	2
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	(21,094)	(5)	8,928	2
8300 Other comprehensive income	(21,094)	(5)	8,928	2
Total comprehensive income	\$ 26,014	7	\$ 70,498	16
Earnings per share (note 6(15))				
9750 Basic earnings per share	\$ 1.23		\$ 1.60	
9850 Diluted earnings per share	\$ 1.23		\$ 1.60	

See accompanying notes to financial statements

(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, 2021 and 2020
(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, 2020	\$ 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
Net income for the year	-	-	-	47,108	-		47,108
Other comprehensive income for the year	-	-	-	-	(21,094)		(21,094)
Total comprehensive income for the year	-	-	-	47,108	(21,094)		26,014
Appropriation and distribution of retained earnings:							
Appropriation for legal reserve	-	-	16,049	(16,049)	-		-
Cash dividends of ordinary share distributed	-	-	-	(69,116)	-		(69,116)
Other changes in capital surplus	-	384	-	-	-		384
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	(20,543)	20,543		-
Balance as of December 31, 2021	\$ 383,981	\$ 459,361	\$ 113,065	\$ 111,010	\$ 16,209		\$ 1,083,626

See accompanying notes to financial statements

TSH Biopharm Corporation Ltd.
Statements of Cash Flows
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Profit before tax	(€ 61,549)	(€ 77,232)
Adjustments:		
Adjustments to reconcile profit (loss)	(€)	(€)
Depreciation	(€ 7,233)	7,127
Amortization	(€ 2,552)	2,522
Expected credit loss	(€ 100)	(103)
Net loss on financial assets and liabilities at fair value through profit or loss	(€ -)	1,558
Interest expense	(€ 80)	27
Interest income	(€ 2,099)	(2,238)
Dividend income	(€ 6,360)	(6,420)
Loss on disposal of property, plant and equipment	(€ 4)	-
Impairment loss from non – financial assets	(€ 4,146)	4,583
Gain on lease modification	(€ 47)	-
Total adjustment to reconcile profit	(€ 5,409)	7,056
Changes in operating assets and liabilities:	(€ (47))	(€)
Decrease in notes receivable	(€ 861)	4,060
Decrease in accounts receivable(including related parties)	(€ 9,053)	5,136
(Increase) decrease in other receivables	(€ 1,851)	(1,603)
(Increase) decrease in inventories	(€ 4,687)	(18,851)
(Increase) decrease in other current assets	(€ 11,042)	(8,110)
Decrease in contract liabilities	(€ -)	(2,483)
Increase (decrease) in notes payable (including related parties)	(€ 1,028)	969
Increase (Decrease) in accounts payable(including related parties)	(€ 6,329)	(34,659)
Decrease in other payables	(€ 9,709)	(11,171)
Increase in other current liabilities	(€ 322)	117
Total changes in operating assets and liabilities	(€ 23,408)	(66,595)
Total adjustments	(€ 28,817)	(59,539)
Cash flows from operations	(€ 90,366)	17,693
Interest received	(€ 2,165)	2,238
Interest paid	(€ 80)	(27)
Income tax paid	(€ 23,744)	(8,293)
Net cash flows from operating activities	(€ 68,707)	11,611

(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, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<u>2021</u>	<u>2020</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(\$ 3,478)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	20,707	182,784
Proceeds from disposal of financial assets at fair value through profit or loss	-	4,316
Acquisition of property, plant and equipment	(382)	(1,916)
Decrease (increase) in guarantee deposits paid	(1,757)	739
Acquisition of intangible assets	-	(463)
Decrease (increase) in other financial assets - current	(31,838)	41,909
Decrease in other financial assets - non-current	328	421
Dividends received	6,360	6,420
Net cash flows from (used in) investing activities	<u>(10,060)</u>	<u>234,210</u>
Cash flows used in financing activities:		
Payments of lease liabilities	(4,345)	(4,215)
Cash dividends paid	(69,116)	(69,117)
Net cash flows used in financing activities	<u>(73,461)</u>	<u>(73,332)</u>
Net (decrease) increase in cash and cash equivalents	(14,814)	172,489
Cash and cash equivalents at beginning of year	396,701	224,212
Cash and cash equivalents at end of year	<u>\$ 381,887</u>	<u>\$ 396,701</u>

See accompanying notes to financial statements

Annex 4

TSH Biopharm Corporation, Ltd.
List of Independent Director Candidate
(Nominated by Board of Directors)

Type of Candidate	Name	Major Education, Current Position and Experience	Shareholding	Reasons for Nominating Independent Directors Who Have Served for Three Terms
Independent Director	Yaw-Bin, Huang	<p>Education:</p> <ul style="list-style-type: none"> • PhD in Pharmacy, School of Pharmacy, Kaohsiung Medical University • MS in Pharmacy, School of Pharmacy, Kaohsiung Medical University • BS in Pharmacy, School of Pharmacy, Kaohsiung Medical University <p>Current Position:</p> <ul style="list-style-type: none"> • Dean of Kaohsiung Medical University • Professor of Pharmacy Kaohsiung Medical University • Chief Pharmacist of Kaohsiung Medical University Chung-Ho Memorial Hospital <p>Experience:</p> <ul style="list-style-type: none"> • Chief of General Affairs, Kaohsiung Medical University • Director of Department of Pharmacy, Kaohsiung Medical University Chung-Ho Memorial Hospital • Class Teacher of Master Class of Clinical Pharmacy Department, Kaohsiung Medical University • Dean of Graduate Institute of Clinical Pharmacy, Kaohsiung Medical University • Associate Professor, Kaohsiung Medical University • Instructor of Pharmacy, Kaohsiung Medical University • Chairman, Pharmaceutic Society of Taiwan 	0	N/A

IX. Appendices

Appendix 1

(Before Amendment)

TSH Biopharm Corporation, Ltd. Regulations for Election of Directors

- Article 1. Elections of directors of the Company shall be acted upon in accordance with these Procedures.
- Article 2. Elections of directors at the Company shall be conducted in accordance with the candidate nomination system and is held at the Shareholders' Meeting. The directors are elected from the list of director candidates announced by the Company in the Shareholders' Meeting.
- Article 2-1. The qualifications and elections of the Company's independent director shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and shall be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies".
- Article 3. The open-ballot, cumulative voting method will be used for election of the directors at the Company. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 4. In the election for the directors, unless otherwise provided by laws and regulations, each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected.
- To cast votes to elect directors of the Company, a shareholder may opt to vote either by electronic means or on site. A shareholder opting to cast votes by electronic means under the preceding paragraph shall vote on an electronic voting platform designated by the Company.
- Article 5. The number of independent directors and non-independent directors will be as specified in the Company's Articles of Incorporation and approved by the Board of Directors, and the election for both independent and non-independent directors shall be held in the same time with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairperson drawing lots on behalf of any person not in attendance.
- The calculation of voting rights specified in the preceding paragraph shall include the voting rights that have been exercised through both electronic voting system and ballots on site at Shareholders' Meeting.
- Article 5-1. When the government or legal person is a shareholder, its representative can also be elected as a director. When there are several representatives, they can be elected separately.
- Article 6. The Board of Directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the Shareholders' Meeting.
- Article 7. At the beginning of the election, the Chairperson shall appoint scrutineers and tellers to monitor and count the votes.
- Article 8. The Board of Directors shall set up the ballot cabinet and have such cabinet checked by scrutinizer in public before the voting.
- Article 9. If the candidate is a shareholder, the voter must fill in the candidate's shareholder account name and account number in the "Candidate" box on the ballot and throw in the ballot cabinet. If the candidate is not a shareholder, the voter shall fill in the candidate's name and identification number in the "Candidate" box on the ballot. However,

if a candidate is a government department or a corporate shareholder, the voter shall fill in the candidate's full government or corporate name and the full name of its representative. When there is more than one representative, their names should be separately indicated.

Article 10. A ballot is invalid under any of the circumstances listed below.

1. A ballot is not prepared according this regulation.
2. The blank ballot was cast in the ballot cabinet.
3. Illegible handwriting or corrections without regulation compliance after erased or changed.
4. If the write-in candidate is a shareholder, the account name or account number written on the ballot is inconsistent with the shareholder list. If the write-in candidate is not a shareholder, the candidate's name, ID or government uniform invoice (GUI) number written on the ballot cannot be validated or is inconsistent.
5. The number of write-in candidates is two or more than two candidates.
6. Other words or marks are written in addition to the candidate name, shareholder account number, or ID card number.
7. The write-in candidate's name is same as another shareholder but does not provide account number or ID number to verify.

Article 11. Ballot cabinets are set up for the election of directors and will be opened by the scrutineers after voting.

Article 12. The ballots shall be counted immediately under the supervision of the scrutinizer(s). The chairman shall announce the results of the election at the spot.

Article 13. Matters not specifically covered in these Procedures shall be handled pursuant to regulations set forth in the Company Act and relevant laws.

Article 14. These Rules and any revision thereof shall be effective once approved by a shareholders' meeting.

These Procedures was established on December 20, 2010.

The first amendment to these Procedures was made on June 12, 2012.

The second amendment to these Procedures was made on June 13, 2014.

The third amendment to these Procedures was made on June 15, 2017.

TSH Biopharm Corporation, Ltd.

Procedures for Acquisition or Disposal of Assets

Article 1. Legal Basis:

These Procedures are amended in accordance with the provisions of Article 36-1 of the Securities and Exchange Act and the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” issued by the Financial Supervisory Commission and related regulations.

Article 2. Scope of Assets:

The term "assets" as used in these Procedures includes the following:

1. Investments in stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities, and asset-backed securities.
2. Real property (including land, houses and buildings, investment property) and equipment.
3. Membership cards.
4. Patents, copyrights, trademarks, franchise rights and other intangible assets.
5. Right-of-use assets.
6. Claims of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).
7. Derivatives.
8. Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with law.
9. Other major assets.

Related matters of acquisition and disposal of such assets shall be processed in accordance with these Procedures hereto.

Article 3. Definition of terms:

1. Derivatives: Forward contracts, options contracts, futures contracts, leverage contracts, or swap contracts, whose value is derived from a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable; or hybrid contracts combining the above contracts; or hybrid contracts or structured products containing embedded derivatives. The term "forward contracts" does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.
2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156-3 of the Company Act.
3. Related party or subsidiary: As defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
4. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or equipment.
5. Date of occurrence: Refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the

competent authority shall apply.

6. Mainland China area investment: Refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.

Article 4. Operation Procedures for Acquisition or Disposal of Assets:

1. Acquisition or disposal of various assets shall only be conducted after being approved in accordance with “Internal Approval Authority Guidelines”. Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members. If approval of one-half or more of all audit committee members is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the Board of Directors meeting.
2. Evaluation Procedure and Workflow
 - A. Acquisition of securities shall be evaluated by Finance and Accounting Department. With respect to acquisition of real property, right-of-use assets and other fixed assets, demanding unit shall first prepare a capital expenditure plan and compile capital expenditure budget after Finance and Accounting Department conducts feasibility assessment. Such capital expenditure budget shall be submitted to the General Manager and the Chairman (or the Board of Directors) for approval, and the plan shall be implemented and controlled according to the contents of the plan. For Acquisition of long-term equity investments, Finance and Accounting department shall be responsible for the feasibility assessment, and such assessment shall be submitted to the Chairman and the Board of Directors for approval. With respect to acquisition of membership cards and intangible assets such as patents, copyrights, trademarks, franchise rights, etc., R&D units shall conduct feasibility assessment, and then submitted to the Chairman and the Board of Directors for approval. With respect to research and development agreements, feasibility assessment shall be conducted by R&D units and then submitted to the General Manager (or the Chairman, or the Board of Directors) for approval.
 - B. With respect to disposal of real property, utilizing unit shall fill in application form or submit for project approval, explain disposal reason and method, and forward to Finance and Accounting Department for assessment, and then submit to the General Manager, Chairman (or the Board of Directors) for approval before execution. With respect to disposal of long-term equity investments or short-term securities, Finance and Accounting Department shall be responsible for the matters. With respect to membership cards and intangible assets such as patent rights, copyrights, trademark rights, franchise rights, etc., evaluation shall be conducted by R&D units. As for research and development agreements (or drug permit license), they shall be evaluated by the relevant business unit. After the evaluation is completed, the evaluating unit shall submit the information to the General Manager and the Chairman for review, and call the Board of Directors meeting (depending on actual needs) for resolution before the disposal is executed by relevant units.

Article 5. Price determination methods and reference basis for acquisition or disposal of assets shall be as follows:

1. With respect to real property and except for transaction with government institutions, commissioned building on self-owned land, commissioned building on rented land, or acquisition or disposal for business utilization purpose, appraisal report from a professional appraisal company shall be obtained in accordance with Paragraph 1 of Article 7 hereto, and appraisal result shall serve as basis for price determination. Price determination level shall be in line with authorization from the Board of Directors’ Meeting.

2. Price determination for securities acquired or disposed through Centralized Securities Exchange Market or Taipei Exchange shall be based on market transaction price.
3. With respect to securities acquired or disposed from non-centralized securities exchange market, Finance and Accounting department shall comply with Article 4 hereto and assess reasonable prices which shall serve as references for price negotiation. Price will then be determined through both parties' negotiation.

Article 6. Public Announcement Procedures:

Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the website of Market Observation Post System in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:

1. Acquisition or disposal of real property or right-of-use assets from or to a related party, or acquisition or disposal of assets or right-of-use assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of domestic money market funds issued by a domestic securities investment trust enterprise (SITE).
2. Merger, demerger, acquisition or transfer of shares.
3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company.
4. Where equipment or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the transaction counterparty is not a related party, and the transaction amount meets any of the following criteria:
 - (1) For a public company whose paid-in capital is less than NT\$10 billion, the transaction amount reaches NT\$500 million or more.
 - (2) For a public company whose paid-in capital is NT\$10 billion or more, the transaction amount reaches NT\$1 billion or more.
5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the transaction counterparty is not a related party, and the amount the company expects to invest in the transaction does not exceed NT\$500 million.
6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:
 - (1) Trading of domestic bonds.
 - (2) Trading of bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises (SITE).The amount of transactions above shall be calculated according as follows:
 1. The amount of any individual transaction.
 2. The cumulative transaction amount of acquisitions and disposals of the same type of underlying asset with the same transaction counterparty within the preceding year.
 3. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and disposals, respectively) of real property or right-of-use assets thereof within the same development project within the preceding year.
 4. The cumulative transaction amount of acquisitions and disposals (cumulative acquisitions and

disposals, respectively) of the same security within the preceding year.

In principle, the date of the occurrence as prescribed in Paragraph 1 refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of Boards of Directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction, whichever date is earlier; provided, for investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.

"Within the preceding year" as used in the Paragraph 2 refers to the year preceding the date of occurrence of the current transaction. Items duly announced in accordance with these Procedures need not be counted toward the transaction amount.

Information of subsidiaries required to be publicly announced and reported:

1. For a subsidiary which is not a domestic public company and acquisition or disposal of asset meeting mandatory announcement or report standards prescribed in these Procedures, matters of announcement or report shall be conducted by the Company.
2. The paid-in capital or total assets of the Company shall be the standard applicable to a subsidiary referred to in determining whether, relative to paid-in capital or total assets, it reaches a threshold requiring public announcement and regulatory filing.

Where any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported in accordance with the preceding article, a public report of relevant information shall be made on website of Market Observation Post System within 2 days counting inclusively from the date of occurrence of the event:

1. Change, termination, or rescission of a contract signed in regard to the original transaction.
2. The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date set forth in the contract.
3. Change to the originally publicly announced and reported information.

The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the FSC by the 10th day of each month.

When the Company at the time of public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be again publicly announced and reported in their entirety within two days counting inclusively from the date of knowing of such error or omission.

The Company acquiring or disposing of assets shall keep all relevant contracts, meeting minutes, log books, appraisal reports and CPA, attorney, and securities underwriter opinions at the company, where they shall be retained for 5 years except where another act provides otherwise. For the calculation of 10 percent of total assets under these Procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" shall be used.

Article 7. Obtaining Expert Reports:

When acquiring or disposing assets, the Company shall appoint objective, impartial and independent experts to issue reports according to the types of assets and the following provisions:

In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company, unless transacting

with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:

1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed whenever there is any subsequent change to the terms and conditions of the transaction.
2. Where the transaction amount is NT\$1 billion or more, appraisals from two or more professional appraisers shall be obtained.
3. Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:
 - (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.
 - (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.
4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.

The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT\$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission.

Where the Company acquires or disposes of memberships or intangible assets thereof or right-of-use assets and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.

Where the Company acquires or disposes of assets through court auction procedures, the evidentiary documentation issued by the court may be substituted for the appraisal report or CPA opinion.

The calculation of the aforementioned transaction amounts shall be done in accordance with Paragraph 2, Article

6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items for which an appraisal report from a professional appraiser or a CPA's opinion has been obtained need not be counted toward the transaction amount.

Professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions shall meet the following requirements:

- (1) May not have previously received a final and unappealable sentence to imprisonment for 1 year or longer for a violation of the Act, the Company Act, the Banking Act of The Republic of China, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this provision does not apply if 3 years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.
- (2) May not be a related party or de facto related party of any party to the transaction.
- (3) If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other.

Article 8. The Company and its subsidiaries may acquire non-business purpose real property or securities with total amount and limits for respective securities as follows:

1. Total amount for the Company's purchase of non-business real property or securities shall not exceed 150% of the Company's paid-in capital or 100% of the Company's equity from the latest financial statement, whichever is higher. Investment in individual securities shall not exceed 100% of the Company's paid-in capital. Total amount from the holding of short term investment and undisposed idle asset or real property shall not exceed the 70% of the Company's equities from the Company's latest financial statement.
2. Total amount for respective subsidiary's purchase of non-business real property or securities shall not exceed 150% of respective subsidiary's paid-in capital, or 100% of equity from the latest financial statement, whichever is higher. Investment in individual securities shall not exceed 100% of the respective company's paid-in capital. Total amount from the holding of short term investment and undisposed idle asset or real property shall not exceed the 70% of equity from respective company's latest financial statement.

Article 9. Procedures for Related Party Transactions:

1. When the Company engages in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10 percent or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a CPA's opinion in compliance with regulations. The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with Paragraph 6, Article 7 herein. When judging whether a transaction counterparty is a related party, in addition to legal formalities, the substance of the relationship shall also be considered.
2. When the Company intends to acquire or dispose of real property or right-of-use assets thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT\$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the

Board of Directors:

- (1) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.
- (2) The reason for choosing the related party as a transaction counterparty.
- (3) With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with regulations.
- (4) The date and price at which the related party originally acquired the real property, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.
- (5) Monthly cash flow forecasts for the year commencing from the anticipated month of signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.
- (6) An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with regulations.
- (7) Restrictive covenants and other important stipulations associated with the transaction.

The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Paragraph 2, Article 6 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that first have been approved by one-half or more of all Audit Committee members and then submitted to the Board of Directors for a resolution need not be counted toward the transaction amount.

If approval of one-half or more of all Audit Committee members as required in the preceding paragraph is not obtained, the procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

With respect to the types of transactions listed below, when to be conducted between the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, the Company's Board of Directors may pursuant to Article 4 delegate the Chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next Board of Directors meeting:

- (1) Acquisition or disposal of equipment or right-of-use assets thereof held for business use.
 - (2) Acquisition or disposal of real property right-of-use assets held for business use.
3. The Company that acquires real property or right-of-use assets thereof from a related party shall evaluate the reasonableness of the transaction costs by the following means:
- (1) Based upon the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. "Necessary interest on funding" is imputed as the weighted average interest rate on borrowing in the year the company purchases the property; provided, it may not be higher than the maximum non-financial industry lending rate announced by the Ministry of Finance.
 - (2) Total loan value appraisal from a financial institution where the related party has previously created a mortgage on the property as security for a loan; provided, the actual cumulative amount loaned by the financial institution shall have been 70 percent or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this shall not apply where the financial institution is a related party of one of the transaction counterparties.

Where land and structures thereupon are combined as a single property purchased or leased in one

transaction, the transaction costs for the land and the structures may be separately appraised in accordance with either of the means listed in the preceding paragraph.

The Company that acquires real property or right-of-use assets thereof from a related party and appraises the cost of the real property or right-of-use assets thereof in accordance with the the above provisions of this Article shall also engage a CPA to check the appraisal and render a specific opinion.

Where the Company acquires real property or right-of-use assets thereof from a related party and one of the following circumstances exists, the acquisition shall be conducted in accordance with Paragraph 2, Article 9:

- (1) The related party acquired the real property or right-of-use assets thereof through inheritance or as a gift.
 - (2) More than 5 years will have elapsed from the time the related party signed the contract to obtain the real property or right-of-use assets thereof to the signing date for the current transaction.
 - (3) The real property is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real property, either on the company's own land or on rented land.
 - (4) The real property right-of-use assets for business use are acquired by the Company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100 percent of the issued shares or authorized capital.
4. When the results of the Company's appraisal conducted in accordance with subparagraph 1 and subparagraph 2, Paragraph 3 are uniformly lower than the transaction price, the matter shall be handled in compliance with Paragraph 5. However, where the following circumstances exist, objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real property appraiser and a CPA have been obtained, this restriction shall not apply:
- (1) Where the related party acquired undeveloped land or leased land for development, it may submit proof of compliance with one of the following conditions:
 - a. Where undeveloped land is appraised in accordance with the means in the preceding Article, and structures according to the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The "Reasonable construction profit" shall be deemed the average gross operating profit margin of the related party's construction division over the most recent 3 years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever is lower.
 - b. Completed transactions by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices in accordance with standard property market sale or leasing practices.
 - (2) Where the Company acquiring real property, or obtaining real property right-of-use assets through leasing, from a related party provides evidence that the terms of the transaction are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year. Aforementioned completed transactions involving neighboring or closely valued parcels of land in principle refers to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50 percent of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real property or obtainment of the right-of-use assets thereof.

5. Where the Company acquires real property or right-of-use assets thereof from a related party and the results of appraisals conducted in accordance with Paragraph 3 and Paragraph 4 are uniformly lower than the transaction price, or if there is other evidence indicating that the acquisition was not an arm's length transaction, the following steps shall be taken:

- (1) A special reserve shall be set aside in accordance with the Act against the difference between the real property transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under the Act shall be set aside pro rata in a proportion consistent with the share of public company's equity stake in the other company.
- (2) Independent directors from the Audit Committee shall comply with Article 218 of the Company Act.
- (3) Actions taken pursuant to subparagraph 1 and subparagraph 2 shall be reported to Shareholders' Meeting, and the details of the transaction shall be disclosed in the annual report and any investment prospectus.

The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and the Financial Supervisory Commission has given its consent.

Article 10. Procedures for Acquisition or Disposal of Derivatives:

- (1) Trading principles and strategies:

In order to effectively reduce the risks caused by changes in exchange rates, interest rates, etc., control future cash flows, and increase the Company's competitiveness, these Procedures are specially stipulated to ensure that the Company's management on various derivatives trading, implementation of information disclosure, and protection of investors. If the Company does not engage in derivatives trading, these Procedures may be exempted from the relevant procedures after reporting to and being approved by the Board of Directors.

A. Types of trading: Derivatives in these Procedures refer to trading contracts (such as forward contracts, options, futures, exchanges, and the compound contract formed by the combination of the above-), and the operation of the Company is within the scope of the following businesses involving both exchange rates and interest rates.

- a. Sales revenue.
- b. Expenses for purchasing goods and equipment.
- c. Long- and short-term loans.
- d. Other internal and external trading.
- e. The trading of derivatives engaged by the Company is limited for the purpose of hedging or for other products approved by the competent authority for investment. The types of trading in this procedure mainly include the following:

Type	Forward Contracts	Options	Financial Exchange
Current Goods			
Exchange Rate	Forward Exchange Contract	Exchange Option	1. Currency Exchange. 2. Interest Rate/Current Exchange.
Interest Rate	Forward Interest Rate Contract	Interest Option	1. Interest Exchange. 2. Interest Rate/Current Exchange.

Project related to the operation of any product other than those types listed above shall be submitted to the Chairman for approval.

- B. The Company's operation or hedging strategy of derivatives trading:
- a. Set the total contract amount of the trading, as well as the upper limit of all and individual contract losses (which is the stop-loss point).
 - b. Regularly assess the profit/ loss and performance of derivatives.
 - c. Strictly evaluate the credit status and professional ability of the trading object.
 - d. All trading and related operations are handled in accordance with relevant laws and regulations.
 - e. Hedging strategy:
 - i. For the assets or liabilities held by the Company and for future needs, while taking the changes of future market into account, two types of trading, "segmentation" and "selective", are used for hedging.
 - ii. Due to the changes in the objective environment, the operation method of "risk avoidance" or "anti-risk avoidance" must be used alternately, in order to reduce losses and risks for the Company.
 - iii. Due to changes in the objective environment, the Company enters into the market to engage in derivative commodity trading, to avoid operational financial risks, and to lock in or reduce non-operating losses for the Company.
- C. The Company's rights and responsibilities for derivatives trading are divided as follows:
- a. Rights and Responsibilities of the Board of Directors:
 - i. This trading procedure also applies to its amendment, and these Procedures shall be submitted to the Shareholders' Meeting for approval.
 - ii. The Board of Directors is convened regularly or temporarily according to the situation of the case, and the Chairman shall report the performance of derivatives trading to the Board of Directors.
 - iii. When the Company engages in derivatives trading, the Board of Directors authorizes the Chairman with the following power:
 1. Approval of the list of trading targets and commodity types.
 2. Approval of the list of trading counterparties and the upper limit of the trading counterparty's quota.
 3. Approval of each individual trading.
 - b. Rights and Responsibilities of the General Manager and the Chairman:
 - i. Submit the derivative trading case to the Board of Directors for resolution.
 - ii. Approve the derivative trading case authorized by the Board of Directors.
 - iii. Submit the Derivatives Performance Report and its implementation results to the Board of Directors regularly or irregularly.
 - c. Rights and Responsibilities of the Cashier of Financial and Accounting Department:
 - i. Execute the approved derivatives trading case.
 - ii. Collect foreign exchange market information at any time, judge trends and risks, be familiar with financial products and related laws, operating skills, etc., and conduct trading in accordance with the designated authorized departments of the competent supervisor to avoid the risk of market price fluctuations.
 - iii. Immediately record the trading every day, and verify their correctness with the accounting documents.
 - iv. File daily trading records sequentially.
 - v. Regular evaluation: evaluate and review the operation performance weekly and monthly, and report the results to the General Manager and Chairman of the Board.
 - d. Rights and Responsibilities of the Accountant of Financial and Accounting Department:

- i. Bookkeeping and preparation of financial statements in accordance with generally accepted accounting principles, custody of trading contracts and trading documents, regular announcements and decorations.
 - ii. Disclosure of the Company's trading information in the financial report.
 - D. Performance evaluation:
 - a. Risk-Avoidance Trading:
 - vi. The performance evaluation is based on the exchange rate, the cost of interest rates and the gains and losses arising from engaging in derivative financial commodity trading on the Company's book.
 - vii. In order to fully control and express the evaluation risk of the trading, the Company adopts the monthly evaluation method for the evaluation of profit and loss.
 - viii. The Cashier of the Financial and Accounting Department shall provide the evaluation on foreign exchange position, foreign exchange market trend and market analysis to the General Manager and Chairman for management reference and instructions.
 - b. Non-Risk-Avoidance Trading:

Taking the actual profit and loss as the basis for performance evaluation, the Accountant of the Finance and Accounting Department must regularly prepare and provide the position reports to the General Manager and Chairman for reference.
 - E. The total amount of contracts and the maximum loss limit for the Company to engage in trading of derivatives:
 - a. Limits on the total amount of trading contracts:

The total amount of the Company's overall hedging contracts shall not exceed the Company's receivables and payables arising from its business in the next six months or the net position of the balance of assets and liabilities, whichever is higher. The trading limit of individual contracts is US\$1 million (inclusive) or its equivalent in foreign currency.

b. Authorized Amount:

Level	Daily trading limit	Net cumulative position
Board of Directors	More than USD\$ 1 million (excluded)	More than USD\$1.5 million (excluded)
Chairman	Less than USD\$1 million (included)	Less than USD\$1.5 million (included)
General Manager	Less than USD\$100 thousand (included)	Less than USD\$300 thousand (included)

c. Upper Limit of Loss:

The upper limit of the loss (stop-loss point) for all derivatives trading is limited to 5% of the total and individual contract amounts that have been traded.

If the amount of loss exceeds the above limit, it must be reported to the General Manager and the Chairman and necessary countermeasures shall be discussed and reported to the Board of Directors for record

(2) Risk Management Measures:

A. Scope of Risk Management:

- a. Credit Risk: The trading object is limited to international famous and credit-worthy banks having business with the Company and capable of providing professional information as a principle and should provide regular account statements.
- b. Market Price Risk: The financial products generally traded in the world are primarily adopted, and the use of specially designed products is reduced.
- c. Liquidity Risk: Banks with large trading volume and strong quotation ability are mainly chosen.

- d. Cash flow Risk: In order to ensure the stability of the Company's working capital turnover, the Company's source of funds for derivatives trading is limited to its own funds, and the operating amount shall take the capital needs of the next three months into consideration.
 - e. Operational Risk: The authorized quota and operation process are strictly followed to avoid operational risks.
 - f. Legal Risk: The documents signed with the trading object are mainly general contracts used in the market, and any unique contracts must be reviewed by legal counsel or lawyers.
- B. A personnel shall not concurrently serve as the positions of a trading personnel and another confirmation and delivery operator engaged in derivative business.
 - C. Risk measurement, supervision and control personnel should belong to departments different from the department of the trading personnel and report to the General manager or Chairman.
 - D. The position held by the derivatives trading shall be evaluated at least once a week, and the evaluation report shall be submitted to the senior executives authorized by the Board of Directors.
- (3) Operating Procedure:
- A. Confirm the trading part.
 - B. Relevant trend analysis and judgment.
 - C. Decide on specific hedging methods: (1) trading target (2) trading position (3) target price and range (4) trading strategy and pattern.
 - D. Obtain the approval of the trading.
 - E. Execute the trading:
 - a. Trading objects: are limited to domestic and foreign financial institutions that have been evaluated by the Company, otherwise, the General Manager shall sign and report to the Chairman for approval.
 - b. Traders: The Company's personnel who can execute derivative trading shall request the Chairman to sign for approval and report to the Board of Directors, and notify the financial institutions with which the Company frequently contacts, and the traders shall not engage in trading without the consent of the above-mentioned personnel.
 - F. Confirmation of the Trading: After the trading, the related personnel shall fill in the trading documents, and the confirmation personnel shall confirm that the trading conditions are consistent with the trading documents, and submit the report to the competent supervisor for approval.
 - G. Delivery: After the trading is confirmed to be correct, the Finance and Accounting Department shall prepare the price and relevant documents by the designated delivery personnel on the delivery day, and perform the delivery at the negotiated price.
 - H. The Company shall, before the tenth day of each month, announce the relevant contents of the Company's derivatives trading in the previous month, and handle the announcement with the operation situation of the month.
- (4) Internal Audit System:
- A. Auditors should regularly learn the adequacy of the internal control of derivatives trading, and audit the compliance of the Finance and Accounting Department in the derivatives trading procedure on a monthly basis, and prepare the audit reports. Major violations shall be declared to notify the Audit Committee in writing. .
 - B. Internal auditors shall declare the audit report of the derivatives trading and the implementation of the annual audit plan of the internal audit report to the Financial Regulatory Commission before the end of February each year.
 - C. Internal auditors shall report the improvement of abnormal items in the derivative trading procedure to the Financial Supervisory Commission for future reference before the end of May each year.
- (5) Regular Evaluation Method and Abnormal Situation Handling:
- A. The Board of Directors shall authorize senior executives to regularly monitor and evaluate whether the Company's performance in derivatives trading complies with the established business policies and

whether the risks borne by the Company are within the Company's tolerance. Necessary countermeasures shall be taken and reported to the Board of Directors immediately, if the Company has established an independent director, and the Board of Directors shall have an independent director present to express their opinions.

- B. The Trading Unit shall prepare a risk assessment report every quarter and submit the report to the Auditing Unit for future reference. The content of the report should include financial risk management (such as credit risk, market price risk, liquidity risk, cash flow operation risk and legal risk).
- C. The Trading Unit shall perform an evaluation at least once a week depending on the amount of positions held and the situation of the market change. However, the risk-avoidance trading for business needs shall be evaluated at least twice a month, and the evaluation report shall be submitted to the General Manager and directors.
- D. The Company shall consult an external legal advisor if the Company engages in derivative trading that involves legal matters.
- E. When the Company engages in derivatives, the Company shall create a reference book, and the type and amount of derivatives trading, the date of approval by the Board of Directors and the matters that should be carefully evaluated shall be recorded in the reference book for reference.

Article 11. Procedures for handling membership cards and claims of financial institutions:

In principle, the Company will not be engaged in acquisition or disposal of membership card or financial institution's claim trading. In the event of necessity of such trading from business needs, such trading will be submitted to the Board of Directors' Meeting for approval before related operation procedures are drafted.

Article 12. Handling Procedures for Merger, Demerger, Purchase and Transfer of Shares:

1. The Company that conducts a merger, demerger, acquisition, or transfer of shares, prior to convening the Audit Committee to resolve on the matter, shall engage a CPA, attorney, or securities underwriter to give an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders, and submit it to the Audit Committee, and then to the Board of Directors for deliberation and passage. However, the requirement of obtaining an aforesaid opinion on reasonableness issued by an expert may be exempted in the case of a merger by a public company of a subsidiary in which it directly or indirectly holds 100 percent of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the public company directly or indirectly holds 100 percent of the respective subsidiaries' issued shares or authorized capital.

If approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, these Procedures may be implemented if approved by two-thirds or more of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

2. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the Shareholders' Meeting and include it along with the expert opinion referred to the preceding paragraph when sending shareholders notification of the Shareholders' Meeting for reference in deciding whether to approve the merger, demerger, or acquisition. Provided, where a provision of another act exempts a company from convening a shareholders meeting to approve the merger, demerger, or acquisition, this restriction shall not apply.

Where the Shareholders' Meeting of any one of the companies participating in a merger, demerger, or acquisition fails to convene or pass a resolution due to lack of a quorum, insufficient votes, or other legal restriction, or the proposal is rejected by the Shareholders' Meeting, the companies participating in the merger, demerger or acquisition shall immediately publicly explain the reason, the follow-up measures, and

the preliminary date of the next Shareholders' Meeting.

3. A company participating in a merger, demerger, or acquisition shall convene a Board of Directors meeting and Shareholders' Meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent. A company participating in a transfer of shares shall call a board of directors meeting on the day of the transaction, unless another act provides otherwise or the FSC is notified in advance of extraordinary circumstances and grants consent.
4. When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall prepare a full written record of the following information and retain it for 5 years for reference:
 - (1) Basic identification data for personnel: Including the occupational titles, names, and national ID numbers (or passport numbers in the case of foreign nationals) of all persons involved in the planning or implementation of any merger, demerger, acquisition, or transfer of another company's shares prior to disclosure of the information.
 - (2) Dates of material events: Including the signing of any letter of intent or memorandum of understanding, the hiring of a financial or legal advisor, the execution of a contract, and the convening of a Board of Directors meeting.
 - (3) Important documents and minutes: Including merger, demerger, acquisition, and share transfer plans, any letter of intent or memorandum of understanding, material contracts, and minutes of Board of Directors meetings.

When participating in a merger, demerger, acquisition, or transfer of another company's shares, the Company shall, within 2 days counting inclusively from the date of passage of a resolution by the Board of Directors, report (in the prescribed format and via the Internet-based information system) the information set out in subparagraphs 1 and 2 of the preceding paragraph to the FSC for recordation.

Where any of the companies participating in a merger, demerger, acquisition, or transfer of another company's shares is neither listed on an exchange nor has its shares traded on an OTC market, the Company shall sign an agreement with such company whereby the latter is required to abide by the provisions of the preceding Paragraph 1 and Paragraph 2.

5. Every person participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.
6. The Company participating in a merger, demerger, acquisition, or transfer of shares may not arbitrarily alter the share exchange ratio or acquisition price unless under the below-listed circumstances, and shall stipulate the circumstances permitting alteration in the contract for the merger, demerger, acquisition, or transfer of shares:
 - (1) Cash capital increase, issuance of convertible corporate bonds, or the issuance of bonus shares, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.
 - (2) An action, such as a disposal of major assets, that affects the Company's financial operations.
 - (3) An event, such as a major disaster or major change in technology, that affects shareholder equity or share price.

- (4) An adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company, buys back treasury stock.
 - (5) An increase or decrease in the number of entities or companies participating in the merger, demerger, acquisition, or transfer of shares.
 - (6) Other terms/conditions that the contract stipulates may be altered and that have been publicly disclosed.
7. The contract for participation by the Company in a merger, demerger, acquisition, or of shares shall record the rights and obligations of the companies participating in the merger, demerger, acquisition, or transfer of shares, and shall also record the following:
 - (1) Handling of breach of contract.
 - (2) Principles for the handling of equity-type securities previously issued or treasury stock previously bought back by any company that is extinguished in a merger or that is demerged.
 - (3) The amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio, and the principles for handling thereof.
 - (4) The manner of handling changes in the number of participating entities or companies.
 - (5) Preliminary progress schedule for plan execution, and anticipated completion date.
 - (6) Scheduled date for convening the legally mandated Shareholders' Meeting if the plan exceeds the deadline without completion, and relevant procedures.
8. After public disclosure of the information, if any company participating in the merger, demerger, acquisition, or share transfer intends further to carry out a merger, demerger, acquisition, or share transfer with another company, all of the participating companies shall carry out anew the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; except that where the number of participating companies is decreased and a participating company's Shareholders' Meeting has adopted a resolution authorizing the Board of Directors to alter the limits of authority, such participating company may be exempted from calling another Shareholders' Meeting to resolve on the matter anew.
9. Where any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a public company, the Company shall sign an agreement with the non-public company whereby the latter is required to abide by the provisions of Paragraph 3, Paragraph 5, and Paragraph 8.

Article 13. Control Procedures for Subsidiaries' Acquisition or Disposal of Assets:

- (1) Subsidiaries hereto shall stipulate asset acquisition or disposal procedures in accordance with "Regulations Governing the Acquisition and Disposal of Assets by Public Companies."
- (2) When a subsidiary acquires or disposes of assets, the subsidiary shall provide the Company with relevant information to audit.
- (3) For a subsidiary which is not a public company and acquisition or disposal of asset meeting mandatory announcement or report standards prescribed in Article 6, matters of announcement or report shall be conducted by the Company.

Article 14. Violation Punishment for Manager and Responsible Person:

In the event of the Company's manager and responsible person's violation of handling procedures hereto, performance review shall be conducted in accordance with the Company's employee manual and punishment shall be imposed accordingly depending on the seriousness of situations.

Article 15. Enforcement and Amendment

After these Procedures have been approved by the Board of Directors, they shall be submitted to Shareholders' Meeting for approval; the same applies when these Procedures are amended. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the director's dissenting opinion to each independent director.

The amendment of these Procedures shall have been approved by more than half of all Audit Committee members and then submitted to the Board of Directors for a resolution since the fourth term of Board of Directors of the Company. If approval of more than half of all Audit Committee members is not obtained, these Procedures may be implemented if approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the Board of Directors meeting.

Article 16. Additional Provisions

Matters not prescribed in these Procedures hereto shall be processed in accordance with related laws and the Company's related rules and requirements.

These Procedures were established on December 20, 2010.

The first amendment was made on June 12, 2012.

The second amendment was made on June 13, 2014.

The third amendment was made on June 15, 2017.

The fourth amendment was made on June 18, 2019

The fifth amendment was made on May 29, 2020.

Appendix 3

TSH Biopharm Corporation Ltd. Articles of Incorporation

Chapter 1. General Provisions

- Article 1 The Company is incorporated under the Company Act pertaining to companies limited by shares by the name of 東生華製藥股份有限公司 in Chinese language and TSH BIOPHARM CORPORATION LIMITED in English language.
- Article 2 The business scope of the Company covers the following:
1. C199990 Manufacture of other food products not elsewhere classified.
 2. C802060 Veterinary drug manufacturing.
 3. F102170 Wholesale of Food and grocery.
 4. F108021 Wholesale of western pharmaceutical.
 5. F108031 Wholesale of medical device.
 6. F208021 Retail sale of western pharmaceutical.
 7. F208031 Retail sale of medical device.
 8. F401010 International trade.
 9. F601010 Intellectual property.
 10. IC01010 Pharmaceutical inspection service.
 11. IG01010 Biotechnology service.
 12. ZZ99999 All business items that are not prohibited or restricted by laws and regulations, except for those subject to special approval.
- Article 3 The Company has a head office in Taipei City, and if it is necessary to set up a branch or business office, the branch or business office can be established in and out of this country after the resolution made by the Board of Directors.
- Article 4 The Company may provide external guarantees among relevant peers with regard to the business. The total re-investment may exceed 40% of the paid-in capital.
- Article 5 Public announcements are made in accordance with Article 28 of the Company Act.

Chapter 2. Shares

- Article 6 The authorized capital of the Company is NT\$ 1,000,000,000, divided into 100,000,000 shares at a par value of NT\$ 10 per share. The shares may be issued on an installment basis pursuant to the resolution of the Board of Directors. An amount of NT\$100,000,000 from the above authorized capital is reserved and divided into 10,000,000 shares which are reserved for the issuance of employee stock options.
- Article 6-1 The employees entitled to receive shares, which bought back by the Company, or share subscription warrants, or restricted stock for employees, or reserved for subscription by employees when the Company issues new shares, including the employees of the parent and subordinate companies meeting certain requirements which will be determined by the Board of Directors.
- Article 7 The shares issued by the Company may be exempted from printing any share certificate, but shall be registered with the Centralized Securities Depository Enterprises.
- Article 8 Transfer, inheritance, gift, pledge, loss, or other stock related services shall be handled in compliance with the "Regulation "Governing the Administration of Stock Affairs by Public Companies" and other relevant laws and regulations.
- Article 9 Change of name and transfer of stocks shall be closed in 60 days prior to the annual general shareholders' meeting, or in 30 days prior to an extraordinary shareholders' meeting or in 5 days prior to the record date for dividends, bonus or other benefits decided by the Company.

Chapter 3. Shareholders' Meeting

- Article 10 The general shareholders' meeting shall be held once a year, and convened within six months after the end of each fiscal year. When necessary, an extraordinary shareholders' meeting may be convened according to relevant laws.
- Article 11 When convening a general shareholders' meeting, each shareholder shall be notified in writing no later than 30 days prior to the meeting. When convening an extraordinary shareholders' meeting, each shareholder shall be notified in writing no later than 15 days prior to the meeting. The reason of convening the meeting shall be stated in the announcement or notice.
- Article 12 Each shareholder of the Company shall be entitled to a voting right per share, unless otherwise specified in Article 179 of the Company Act.
- Article 13 When a shareholder cannot attend the shareholders' meeting, it may obtain a power of attorney printed and

issued by the Company to assign a proxy to attend the meeting pursuant to Article 177 of the Company Act and the “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

Article 14 Shareholders may take action on a matter at a shareholders’ meeting if a quorum of 50% or more of the outstanding shares of the company exists unless relevant laws stipulate otherwise. If a quorum exists, action on a matter is approved if more than 50% votes being represented at a meeting favor the action.

Article 15 Resolutions of the shareholders’ meeting shall be recorded in the minutes of the meeting, which shall be signed or stamped by the Chairperson. In the meeting minutes, the date (year, month, and day), venue, Chairman’s name, resolution methods, main agenda items, and results of the proceedings shall be recorded and preserved permanently during the existence of the Company.

The attendance book of attending shareholders and the powers of attorney to assign a proxy to attend the meeting shall be preserved for at least one year. However, where litigation is initiated by shareholders pursuant to Article 189 of the Company Act, documents shall be preserved till the termination of the litigation.

Article 16 When the public offering of the company’s stocks is cancelled, it shall be done only after the resolution of the shareholders’ meeting, and this provision shall not be changed during the period of applying for trading in the emerging stock market, the over-the-counter market, and going public.

Chapter 4. Directors and Audit Committee

Article 17 The Company shall have 5 to 7 directors and adopt a candidate nomination system to elect the directors from a candidate list in the shareholders’ meeting. The term of office shall be 3 years, eligible for re-election. When the term expires prior to election, the term of office may be extended until the newly elected director takes office. The total number of shares of the Company’s registered stocks held by all directors shall be in accordance with the standards prescribed in the “Rules and Review Procedures for Director and Supervisor Share Ownership Ratio at Public Companies” promulgated by the Competent Authority.

The election of directors of the Company shall adopt the single-name cumulative voting system. If it is necessary to amend the election system, the amendments to the election system shall be listed in a comparison table with the reason of convening the shareholders’ meeting in addition to handling in accordance with the provision of Article 172, Paragraph 5 of the Company Act.

Article 18 The Company may have independent directors within the aforementioned number of directors, the total number of directors shall not be less than three and shall be no less than one-fifth of the total number of directors. The professional qualifications, shareholdings, concurrent appointment restrictions, nomination and election methods, and other compliance matters of the independent directors shall be handled in accordance with relevant regulations of the Securities Authority.

Article 19 When the vacancy of directors reaches one third, the Board of Directors shall convene a shareholders’ meeting for a by-election according to relevant law, and the term of office shall be limited to the time to make up the term of the original appointment.

Article 20 The Board of Directors Meetings shall be held at least once a quarter.

The Board of Directors shall state the reasons of convening the meeting, and each director shall be notified 7 days prior to the meeting, but the meeting can be convened at any time when there is an emergency.

The convening of the meeting can be notified in writing, by fax or by email.

Article 20-1 The Board of Directors may set up an Audit Committee, a Remuneration Committee or other functional committees for the needs of business operations. The Audit Committee shall be composed of all independent directors, one of whom is the convener, and at least one shall have accounting or financial expertise.

The duties, organizational charter, exercise of powers and other matters complying with the Audit Committee in the preceding paragraph shall be handled in accordance with the related regulations of the authorities in charge of securities and the Company.

Article 21 The Board of Directors is formed by the directors, and one of them is elected among them to serve as the Chairperson with the presence of more than two-thirds of the directors and the consent of more than half of the directors, and the same applies to the election of the Vice Chairperson.

Article 22 When a Chairperson is on leave or cannot exercise his/her powers for any reason, his/her proxy shall be handled in accordance with Article 208 of the Company Act.

Article 23 Directors shall attend the board meeting in person, and when a director asks a proxy to attend, the proxy shall be handled in accordance with Article 205 of the Company Act. If the Board of Directors meeting is held by video conference, any director who participates in the video conference is deemed to be attending the meeting in person.

Article 24 All business policies and important matters of the Company shall be implemented by the resolution of the Board of Directors. Resolutions of the Board of Directors require the attendance of a majority of Board of Directors and approved by a majority of the directors in attendance, unless otherwise specified in the Company Act.

Article 25 The Company shall arrange liability insurance for the directors to lower the risk of litigation initiated by shareholders or other related parties due to the execution of their duties in accordance with relevant laws.

Article 26 The Board of Directors shall be authorized to determine the compensation for execution of duties by directors

based on their level of participation and the value of their contributions to company operations regardless of profits and losses incurred by the Company with reference to prevailing industry standards. In case of profits, rewards shall be granted pursuant to the regulations set forth in Article 29.

Chapter 5. Managers

Article 27 The Company has a number of managers whose appointment, dismissal and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6. Accounting

Article 28 The Company shall handle the final accounts at the end of each fiscal year, and the fiscal year commences from January 1 to December 31. The Board of Directors shall prepare the following documents after the end of the fiscal year and submit them to the shareholders' meeting for ratification.

1. Business reports.
2. Financial statements.
3. Profit distribution proposal or loss make-up proposal.

Article 29 When the Company makes a profit for the year, the Company shall allocate 2% to 8% of annual profits as employee compensation and no more than 2% of the annual profits as directors' remuneration. Employee compensation may be distributed in stock or cash according to the resolution of the Board of Directors, and the recipients may include employees of parent and subordinate companies that meet certain conditions. Director remuneration can only be paid in cash. The distribution of employee compensation and directors' remuneration shall be submitted and reported to the shareholders' meeting.

However, when the Company still has accumulated losses, the profit shall be reserved to offset the loss, and then the employee compensation and the directors' remuneration are allocated according to the proportion given in the preceding paragraph.

Article 29-1 When the Company has a surplus in the annual final accounts, the Company shall pay taxes according to relevant laws and compensate the accumulated loss before allocating 10% of the remaining surplus as legal reserve, unless the legal reserve has reached the total paid-in capital of the Company, and then set aside the special reserve according to the requirements under laws and regulations. Any further remaining surplus plus unappropriated earnings shall be distributed in accordance with the proposal submitted by the Board of Directors for approval at a shareholders' meeting.

Article 30 The procedure of distributing dividends shall be handled by the end of the year, and the Board of Directors shall consider the Company's profitability capital and financial structure, future business operation demands, accumulated surplus and legal reserve, market competition conditions and other factors to propose the earnings distribution for approval in the shareholders' meeting.

Article 31 The finance, business, and operation are taken into considerations to propose the earning distribution based on the principle of no less than 50% of the distributable earnings of the current year. In order to strengthen the financial structure of the Company and safeguard the rights and interests of investors, the Company adopts a dividend balance policy and pays cash dividends at least 50% of the dividends distributed in the current year.

Chapter 7. Supplementary Provisions

Article 32 Matters not covered in these Articles of Incorporation shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 33 These Articles of Association were established on June 25, 2010.

The first amendment was made on December 21, 2010.

The second amendment was made on October 6, 2011.

The third amendment was made on June 19, 2013.

The fourth amendment was made on June 23, 2015.

The fifth amendment was made on June 23, 2016.

The sixth amendment was made on June 15, 2017.

The seventh amendment was made on June 15, 2018.

The eighth amendment was made on May 29, 2020.

Appendix 4

TSH Biopharm Corporation, Ltd.

Rules of Procedure for Shareholders' Meeting

1. The shareholders' meeting of the Company shall be handled in accordance with these rules and procedures, unless otherwise specified by laws and regulations.
2. The Company shall furnish the attending shareholders with an attendance book to sign or attending shareholders may hand in a sign-in card in place of signing-in. The number of attending shares shall be calculated according to the shares indicated by the attendance book and the submitted sign-in cards plus the number of shares whose voting rights are exercised in an electronic form.
3. Attendance and vote at shareholders' meeting shall be calculated based on numbers of shares.
4. The shareholders' meeting shall be at the premises of the Company or a place easily accessible to shareholders to attend and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the place and time of the meeting.
5. If the shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairperson of the board. When the Chairperson is on a leave or for any reason unable to exercise duties, the Chairperson may appoint a director to act as chair, and when the Chairperson has not made such a designation, the directors may select one among themselves to serve as chair. If the shareholders' meeting is convened by a person with the convening rights other than the Board of Directors, the meeting will be chaired by such convener.
6. The Company may assign the appointed lawyers, accountants or related personnel to attend the shareholders' meeting. The conference staff handling administrative affairs of the shareholders' meeting shall wear identification cards or armbands.
7. The whole course of the shareholders' meeting shall be recorded or videotaped and kept for at least one year.
8. The Chair of the shareholders' meeting shall call the meeting to order at the appointed meeting time. However, if the number of shares held by the attending shareholders is below half of the total number of issued shares, the Chair may announce a postponement. The postponement shall be announced twice only as limited and for a combined total of no more than 1 hour. If the shares held by the attending shareholders are still below one-third of the total number of issued shares, with two postponements being announced, the Chair may announce that the meeting shall be canceled. If the quorum is not met after two postponements as mentioned in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the Chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
9. If a shareholders' meeting (including extraordinary motions and amendments to the original proposal set out in the agenda) convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which shall not be changed without a resolution of the shareholders' meeting. If the shareholders' meeting is convened by a convener with the convening rights other than the Board of Directors, the preceding paragraph may apply. The Chairperson of the shareholders' meeting may not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the meeting is adjourned, shareholders are not allowed to elect another Chair at the original location or find another venue to continue the meeting.
10. Before speaking, an attending shareholder must specify on the speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak shall be set by the Chair. An attending shareholder who submits a speaker's slip but does not actually speak shall be deemed not to speak at the meeting. Those who have only made the speaker's slip but did not speak are deemed to have not speaking. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. While an attending shareholder is taking the floor, other shareholders shall not speak or interrupt unless agreed by the Chair and the speaking shareholder. The Chair shall stop any violation.
11. Each shareholder shall not speak more than twice on the same proposal, and a single speech shall not exceed 5 minutes unless agreed by the Chair. If the shareholder's speech violates the Rules or exceeds the scope of the

meeting agenda, the Chair may terminate the speech.

12. When a juristic person is appointed to attend the meeting as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
13. After the speech of an attending shareholder, the Chair may respond in person or direct relevant personnel to respond.
14. When the Chair considers that the discussion on a proposal has reached the point where it can be voted, the Chair shall announce the discussion closed, call for a vote and arrange sufficient time for voting.
15. The vote scrutineer and vote counter for a motion are appointed by the Chair, but the scrutineer shall have the identity of a shareholder. Vote counting for a voting or election motion shall be conducted in public at the place of the shareholders' meeting, and the voting result including the statistics of voting rights shall be announced and recorded immediately after vote counting has been completed.
16. During the meeting, the Chair may announce a break at his/her discretion.
17. The voting of a motion shall be passed by the consent of a majority of the voting rights of the attending shareholders, unless otherwise specified by the Company Act and the Articles of Incorporation. When voting, the Chair or its designated person shall first announce the total number of voting rights represented by the attending shareholders, and then the shareholders vote on a case-by-case basis.
18. When there is an amendment or an alternative to the same motion, the Chair shall present the amended or alternative motion together with the original motion and decide the order in which they will be put to vote. When any one among them has been passed, the other motions are deemed to be rejected and there is no need to vote again.
19. The Chair shall command the pickets (or security guards) to help maintain order in the venue. The pickets (or security guards) shall wear an identification card or "the Picket" armband when maintaining order in the venue.
20. These Rules shall come into force after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.
21. These Rules were established on September 1, 2010.
The first amendment was made on May 29, 2020

Shareholding of Directors

Book closure date: March 27, 2022

Position	Name	Shares Registered in Shareholder Register
Chairperson	TTY Biopharm Co., Ltd. Representative: Chuan Lin	21,687,177
Directors	TTY Biopharm Co., Ltd. Representative: Carl Hsiao Representative: Chao I Chiang Representative: Kang Chi Chou	
Independent Director	Chih Li Wang	30
Independent Director	Rwei-Syun Chen	0

Note:

1. As of March 27, 2022, the total number of issued common shares of the Company is 38,398,140 shares.
2. The legal minimum number of shares to be held by all directors is 3,600,000 shares, and the number of shares registered in the shareholder register is 21,687,207 shares.