

Stock Code: 8432



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

2024 Annual General Shareholders' Meeting

Agenda Handbook

Meeting Format: Physical Shareholders' Meeting
Meeting Date: May 24, 2024
Meeting Venue: Room 423, Nankang Software Incubator
(Building E, 4th Floor, No. 19-11, Sanchong
Road, Nangang District, Taipei City)

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I. Agenda

TSH BIOPHARM CORPORATION LIMITED

2024 Annual General Shareholders' Meeting Agenda

Time: 9:00a.m. on May 24, 2024 (Friday)

Venue: Room 423, Nankang Software Incubator
(Building E, 4th Floor, No. 19-11, Sanchong Road, Nangang District, Taipei City)

Meeting procedures:

1. Call the meeting to order (report on the number of shares represented by attending shareholders)
2. Meeting formalities
3. Chairman's Address
4. Report items
 - (1) The Company's 2023 Business Report.
 - (2) The Audit Committee reviews the financial statements of 2023.
 - (3) Report on the distribution of compensation to employees and directors of 2023.
5. Ratification items
 - (1) The Company's 2023 Business Report and financial statements.
 - (2) The Company's Earnings Distribution Proposal for 2023.
6. Election matters
 - (1) Proposal to elect two additional independent directors.
7. Other proposals
 - (1) Proposal on releasing the non-competition restriction on directors.
8. Extemporaneous motions
9. Meeting adjourned

II. Report items

No.1

Case: The Company's 2023 Business Report is hereby submitted for your review.

Description: For the Company's 2023 Business Report, please refer to Attachment 1 of this Handbook on pages 7 to 11.

No.2

Case: The Audit Committee's review of the financial statements for 2023 is hereby submitted for your review.

Description:

1. The Company's annual financial statements, Business Report, and Earnings Distribution Statement for 2023 have been reviewed by the Audit Committee.
2. For the Audit Committee's Review Report, please refer to Attachment 2 of this Handbook on page 12.

No.3

Case: The report on the distribution of compensation to employees and directors of 2023 is hereby submitted for your review.

Description: The Company's profit before tax for 2023 inclusive of employee compensation and director compensation was NT\$76,148,290. Pursuant to Article 29 of the Company's Articles of Incorporation, the Company distributed 2% of such profit as employee compensation, which was NT\$1,522,966, and another 1.99% of such profit as director compensation, which was NT\$1,522,965 ; both were paid in cash. There is no difference between the said distributed amount and the estimated amount recognized as expenses in 2023.

III. Ratification items

No.1

Proposed by the Board of Directors

Case: The Company's Business Report and financial statements for 2023 are hereby submitted for your adoption.

Description:

1. The Board of Directors has approved the Company's 2023 Business Report and financial statements, of which the financial statements were audited by CPA Yilien Han and CPA Shin-Ting Huang from KPMG Taiwan, who have also issued an independent auditors' report containing their unqualified opinion.
2. For the Company's Business Report and financial statements for 2023, please refer to Attachment 1 of this Handbook and Attachment 3 of this Handbook on pages 7 to 11 and pages 13 to 32, respectively.

Resolution:

No.2

Proposed by the Board of Directors

Case: The Company's 2023 Earnings Distribution Proposal is hereby submitted for your adoption.

Description:

1. The Company intends to take from the distributable earnings an amount of NT\$49,149,619 as shareholders' cash dividends; each share in the possession of the shareholders in the Shareholder Register on the record date is entitled to NT\$1.28. The amount of dividends distributed to each shareholder will be paid in integers, with the fraction thereof recognized as the Company's other income. After the distribution is approved by the Annual Shareholders' Meeting, the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payable date, among other related matters.
2. If there is a subsequent change in the Company's share capital that affects the number of shares outstanding and thus the dividend payout ratio, it is proposed that the Chairman of the Board of Directors be authorized by the Shareholders' Meeting to handle all related matters at his/her discretion.

3. Below is the Earnings Distribution Statement for 2023:

TSH BIOPHARM CORPORATION LIMITED
Earnings Distribution Statement for 2023

Currency: NT\$

Item	Amount	Remarks
Unappropriated retained earnings at the beginning of the period	40,601,864	
Less: Impact of organizational restructuring on earnings	(27,155,786)	
Add: Disposal of equity instruments at fair value through other comprehensive income	6,796,800	
Add: Net profit after tax for the current fiscal year	61,989,401	
Less: Provision of legal reserves (10%)	(4,163,042)	
Add: Reversal of special reserve	4,417,794	
Distributable earnings for the current period:	82,487,031	
Distribution item:		
Cash dividends	49,149,619	Cash dividends of NT\$1.28 per share
Unappropriated retained earnings at the end of the period	33,337,412	

Note: The said shareholder dividends are calculated as of February 19, 2024 based on the Company's outstanding common shares in the number of 38,398,140 shares.

Chairman: Chuan Lin

General Manager: Sze-Yuan Yang

Accounting Manager: Chen-Ju Kan

Resolution:

IV. Election matters

No.1

Proposed by the Board of Directors

Case: The proposal to elect two additional independent directors is hereby submitted for your election.

Description:

1. In order to fulfill the Company's operational requirements, it is proposed to elect two additional independent directors at this Annual shareholders' meeting.
2. Pursuant to the Company's Articles of Incorporation, the election of two additional independent directors will be based on the candidate nomination system. The newly appointed independent directors will serve the same term as the current directors, starting from May 24, 2024 and ending on May 24, 2026.
3. The Board of Directors had resolved the list of candidates for independent directors on February 27, 2024. Please refer to Attachment 4 of this Handbook on page 33.

Election Results:

V. Other proposals

No.1

Proposed by the Board of Directors

Case: The proposal to release the non-competition restriction on directors is hereby submitted for your discussion.

Description:

1. To align with the company's business strategy and actual business development needs, it is proposed to seek approval from the shareholders' meeting for the Company directors and their representatives to engage in activities within the scope of the Company's business, on behalf of themselves or others, without being restricted by Article 209 of the Company Act.
2. For the details on newly added concurrent positions of Board of Directors and their representatives in other companies, please refer to Attachment 5 of the Handbook on page 34.

Resolution:

VI. Extemporaneous motions

VII. Meeting adjourned

VIII. Attachments

Attachment 1.

TSH BIOPHARM CORPORATION LIMITED Business Report

The Company's business achievements in 2023

(i) Business Plan implementation results

The Company's net operating income in 2023 was NT\$810,917 thousand, up NT\$69,851 thousand, or 9.43%, from NT\$741,066 thousand in 2022. The revenue has increased due to the growth in cardiovascular drugs, influenza vaccines, and testing products during the 2023 fiscal year, as well as the acquisition of Chuang Yi Biotech. In 2023 fiscal year, the net profit attributable to the parent company reached NT\$61,989 thousand, reflecting a growth rate of 0.16%. This represents an increase of NT\$99 thousand compared to 2022 fiscal year.

(ii) Budget implementation status

The Company's standalone net operating revenue in 2023 was NT\$497,305 thousand, which was 98% of the set annual budget target.

(iii) Analysis of income and expenses and profitability

Item		Year	January 1, 2023 to December 31, 2023
Income and expenditures	Interest income (in NT\$1,000)		6,217
	Interest expenses (in NT\$1,000)		112
Profitability analysis	Return on assets (%)		5.17
	Return on shareholders' equity (%)		5.53
	Profit margin (%)		12.46
	Diluted Earnings per Share (in NT\$)		1.61

(iv) Research and Development (R&D) status

Below is a summary of the products the Company introduced or developed in 2023:

- January 2023:
Amtrel has successfully submitted the registration for drug inspection in Malaysia.
- January 2023:
The manufacturer of the authorized osteoporosis drug has obtained European GMP certification.
- March 2023:
Commenced the submission of the registration for authorized drug A in The Philippines, as well as drug R in Indonesia and Malaysia, for inspection and verification.
- April 2023:
Obtained European marketing license for the development of authorized drug for osteoporosis.
- May 2023:

Signed an exclusive agent agreement for Tyrvaya, a medication used to treat dry eye syndrome, in Taiwan.

- September 2023:
Entered into an exclusive sales distribution agreement with a Korean testing company for a new range of cancer detection products.
- November 2023:
The ACTA project has successfully completed human pre-clinical trials and has now commenced the planning of pivotal human trials.
- November 2023:
Tyrvaya has successfully submitted the registration for drug inspection in Taiwan.

Summary of the 2024 Business Plan:

(i) Business Policy

With an eye on achieve both organic and inorganic growth while accelerating the product portfolio expansion, TSH adopted a double-engine strategy of "license-in" and "self-development" for the past five years. The organic growth is focused on the new drug (TNCE) in Taiwan market. This is particularly crucial as in September 2022, TFDA reduced the requirement for a TNCE submitted for license application to be on the market in an advanced foreign country for 10 years or more time to 5 years to encourage and accelerate domestic research and development. The Company's current research and development projects encompass new active pharmaceutical ingredients and 505B2 drugs, including biosimilars, new compound drugs, and new dosage forms. These projects are being developed both independently and in collaboration. By the end of 2023, TSH has acquired three drug licenses, namely Rancad® Extended Release, Cretrol tablet, a new compound hypolipidemic drug and Alprosm Lyophilized Powder for injection. To boot, the Company aims to secure two Taiwan new drug market approvals by the end of 2025, while enhancing the Taiwan headquarters to become the major sources of new products in the future. Furthermore, in 2023, the Company also submitted registration applications for the inspection of three overseas pharmaceutical products, and plans to continuously introduce new products to the Taiwan and Asian markets in order to drive sales growth. Additionally, the Company will seek the opportunities to license out self-developed products, mainly to companies in overseas pharmaceutical markets. As for overseas sales, the Company actively sought to have its drugs registered with the competent authorities in Southeast Asia over the past four years and obtained two drug licenses in overseas markets as of 2022. In the past three years, the Company also committed resources towards the assessment and development of multiple new projects, resulting in a total of eight ongoing pharmaceutical development projects. In 2024, there are also plans to submit new products for approval in order to obtain market licenses and offer patients more treatment options.

TSH also plans to expand its focus on the field of diseases as part of its organic growth strategy. We have been dug in the field of ophthalmology for several years, which has also started yielding results in 2023. In 2023, TSH acquired Tyrvaya, an innovative dry eye drug developed by a licensed American ophthalmic pharmaceutical company. The registration submission for the new drug in Taiwan was completed in the second half of 2023. Moving forward, we will strategically position our ophthalmic product portfolio using a double-engine approach to explore development opportunities for TSH in the field of ophthalmic diseases.

In addition to the product agents of the original partners in Taiwan, South Korea and Singapore, the patient care team established in 2019 has added new products developed with Korean partners for the needs of the Taiwanese market, and continues to expand its product portfolio and collaborate with a number of international testing companies to fulfill the unmet needs of the market. Over and above, with the aim of enhancing the product portfolio and improving the quality of life for chronic patients in the future, the Company is currently engaged in multiple collaboration negotiations with globally recognized companies across various medical device categories.

TSH has achieved tangible results for the first time in the area of inorganic growth. At the end of 2023, TSH acquired the stake in Chuang Yi Biotech so that it become a subsidiary, thereby gaining access to clinics and pharmacies through this acquisition. In the future, with the sales team at Chuang Yi Biotech covering over two thousand pediatric clinics, otolaryngology clinics, and pharmacies across Taiwan, we will achieve comprehensive coverage of hospitals, clinics, and pharmacies in the Taiwan market. We anticipate a significant increase in performance for the year 2024.

In terms of ESG sustainable management, TSH holds fast to the core concept of the United Nations Sustainable Development Goals (SDGs) - SDG 3 Good Health and Well-being, upholds the core value of "people-oriented", and created the value of "Deeply Cultivating Sustainability, Elevating Love". Through thorough exploration of every corner of Taiwan and directing attention to the most pressing societal needs, letting love seep into every nook and cranny, we walked the talk of caring sincerely for and contribution to the people of Taiwan.

General Manager Sze-Yuan Yang was honored with the Outstanding Corporate Leader Award at the 20th National Brand Yushan Awards for her dedication to enhancing corporate governance, brand development, and nurturing talent. This award is not only a personal affirmation of General Manager Sze-Yuan Yang, but also a recognition of the entire TSH team.

In 2023, we have laid a good foundation for development and teamwork, and in 2024, we will continue to move towards our five-year goals, hoping to bring more benefits and corporate value to our shareholders and employees.

(ii) Expected volume of sale, and the basis for such expectation

The Company expects to sell 194,157 thousand tablets of oral preparations and 53 thousand injections in 2024. The projected sales quantity is determined based on the statistical report from IMS, taking into consideration future market competition and changes in supply and demand.

(iii) Important production and marketing policy:

1. Business plan

- The Company will accelerate the proportion of business growth by means of exports of self-developed products and license-out of products at the early stage of development to overseas companies. In addition, aside from making progress in the application of drug license around the world, the Company will co-develop new drugs at the early stage of development with international partners and create value therefor and will use a "Double-engine strategy" to develop international drugs and do international marketing.

- The new business model of biotechnology industry: the Company will introduce products in relation to personalized medicine. The rise of personalized medicine has made testing part of treatment or preventive medicine. In addition, AI has become increasingly available. TSH will continue to put more testing products on the market to meet more clinical needs.
- Inorganic growth through strategic investment and acquisition: since Chuang Yi Biotech became a subsidiary of TSH in 2023, the group's channel coverage has become more comprehensive. In the future, we will leverage our resources and products to create synergies in both our product offerings and distribution channels. For good measure, TSH will actively seek out strategic investment opportunities to ensure sustained organic growth.

2. Production strategy

The Company will maintain its past strategy, which was designed to outsource the production of pharmaceuticals to contract manufacturers. Currently, the production of all products is outsourced to PIC/S GMP-certified manufacturers. In addition, temperature control during storage and transportation is an important factor in maintaining drug quality throughout the entire transportation and sales chain. Therefore, in line with the Western Pharmaceuticals Good Distribution Practice (GDP) Regulations promulgated by the government, the Company has included raw materials and cold chain transportation of drugs in the company's GDP scope in 2022 and 2023 respectively. We also adhere to the government's new regulatory requirements in the implementation of pharmacovigilance to ensure the safety of medication users in Taiwan.

The same strategy for pharmaceuticals is adopted for the Company's testing business, that is, working closely with internationally certified laboratories. Meanwhile, the Company will pay close attention to the key points and impact of the implementation of the Draft Amendment of Regulations Governing the Application of Specific Medical Technique and Medical Device. Having collaborated with Korean testing companies, German testing companies, and Taiwan's medical institutions for the past 3 years, the Company is able to provide target audience with testing items of internationally recognized standards and offer physicians the best tool for cancer treatment and for assessing the risk of acquiring a cancer.

3. Marketing and R&D strategy

Double engines propelling on three tracks to provide better healthcare services.

We will remain customer-oriented and adopt a double-engine system propelling on three tracks while also focusing on traditional pharmaceuticals manufacture and innovative medicine to provide a product portfolio to satisfy patients' unmet medical needs. By the same token, we will dedicate efforts towards new ingredients, special dosage forms, chronic disease treatment, genetic testing, cancer testing, and co-development of innovative medical treatment methods to become the best partners of international innovative biotechnology companies in developing and marketing new drugs in Asia, and strive to provide the human being with healthcare services before, during, and after medical treatment.

Company's development strategy

Corporate Vision: Improve the quality of life of patients and become the best strategic partner in development and marketing in Asia for international innovative biotechnology companies!

Business goals

- ✓ Focus: Focusing on the quality of life of patients with unmet medical needs by providing them with total solution.
- ✓ Differentiation: Develop innovative, special medical technology and dosage forms to gain a market differentiation.
- ✓ Create value: Become the best strategic partner in development and marketing in Asia for international innovative biotechnology companies.

Impact of external competition, regulatory environment, and macroeconomic environment

Challenge 1: Impact of risks in the pharmaceutical supply chain

- Since 2020, the COVID-19 pandemic has had a profound impact on the world, the supply chain of the pharmaceutical industry was met with immense challenges. Due to a shortage of raw materials and manufacturing capacity in 2023, there have been product shortages. In response to this issue, TSH has ensured that it has multiple sources of raw materials for all its main products and has initiated an evaluation of contract manufacturers to mitigate supply chain risks and control costs.

Challenge 2: The global pharmaceutical industry is currently experiencing rapid transformation.

- The ongoing factors in the past few years around the world, e.g. increased medical expenses, increased costs, and volatile political and economic changes, along with the rise of big data analytic and precision medicine, will effect a rapid change in the business model of pharmaceutical companies. Therefore, TSH has adopted a dual-track strategy: TSH will maintain its current R&D momentum and put new products on the market every year; it will also simultaneously invest in innovative fields to embark on the international trend.

Challenge 3: Improving quality and regulatory aspects of drug safety

- With the growing emphasis on impurity risks in international regulations and the cases of carcinogenic substances like nitrosamines in recent years, the Taiwan competent authorities are progressively aligning themselves with international quality regulations and elevating their standards. The risk assessment of impurities containing ICHQ3D elements and the monitoring of drug safety were initiated in 2023, and corresponding measures were required. In the future, pharmaceutical companies will not only need to invest in appropriate risk management mechanisms during the research and development phase, but also implement the same control measures for their marketed products. This will lead to a significant increase in the costs of drug development and market entry.

In a highly competitive environment, our focus will be on risk management. We will also strengthen specific regional channels and collaborative partnerships to expand our presence in existing therapeutic areas and explore opportunities in new therapeutic areas.

Chairman: Chuan Lin

Manager: Sze-Yuan Yang

Accounting Officer: Chen-Ju Kan

Attachment 2.

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

The Board of Directors has prepared and submitted the Company's 2023 Business Report, Financial Statements (including consolidated financial report), and the Earnings Distribution Proposal, of which the Financial Statements were audited by CPA Yilien Han and CPA Shin-Ting Huang from KPMG Taiwan, who have also furnished an audit report. After reviewing the said reports and statements, the Audit Committee did not find any non-conformities, and thus prepared this Audit Committee Review Report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your approval.

To

TSH Biopharm Corporation Ltd. Annual General Shareholders' Meeting of 2024

Convener of Audit Committee: Te-Yu Chou

February 27, 2024

Attachment 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, 2023 and 2022 (after restatement), the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the years ended December 31, 2023 and 2022 (after restatement), 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, 2023 and 2022(after restatement) 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. Sales Revenue

Please refer to Note 4(13) of the financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

The Company 's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence is sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed include testing the effectiveness of the design and implementing the internal control system of sales and collection operation ; testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue and inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition.

2. 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.

Emphasis of Matter Paragraph

As Note6(6)and Note7(3)7, the Company participated in cash capital increase of Chuang Yi Biotech Co. Ltd. on November 24, 2023. The Company has cumulatively acquired 51.6% of Chuang Yi Biotech Co. Ltd., and took control and become the parent company. Referring to the regulations of the Accounting Resarch and Development Foundation's IFRS Q&A, the aforementioned transaction is an organizational reorganization under common control, and regarded as an acquisition from the beginning. The Company restated the parent company only financial statements for the year ended December 31, 2022. The auditor did not modify the audit opinion due to this matter.

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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we 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- Ting Huang and Yilien Han.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2024

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, 2023 and 2022 (After restatement)

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (After restatement)		December 31, 2023		December 31, 2022 (After restatement)			
Assets		Amount	%	Amount	%	Amount	%	Amount	%		
Current assets:											
1100	Cash and cash equivalents (notes 6(1) and 6(20))	379,999	32	404,476	33	2150	Notes payable (note 6(20))	\$ 446	-	733	-
1120	Current financial assets at fair value through other comprehensive income (notes 6(2) 、(20) and 13)	79,228	7	51,811	5	2170	Accounts payable (note 6(20))	4,950	1	8,500	1
1150	Notes receivable, net (notes 6(3) 、(17) and (20))	14,471	1	16,077	1	2180	Accounts payable to related parties (notes 6(20) and 7)	8,296	1	7,245	1
1170	Accounts receivable, net (notes 6(3) 、(17) and (20))	93,090	8	90,939	7	2200	Other payables (notes 6(11) 、(20) and 7)	47,458	4	52,212	4
1180	Accounts receivable from related parties (notes 6(3) 、(17) 、(20) and 7)	652	-	301	-	2230	Current income tax liabilities	2,972	-	8,018	1
1200	Other receivables (notes 6(4) and (20))	2,060	-	1,658	-	2280	Current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	4,557	-	4,485	-
130x	Inventories (note 6(5))	75,271	6	59,259	5	2300	Other current liabilities	1,468	-	1,308	-
1476	Other financial assets-current (notes 6(1) 、(10) and (20))	116,309	10	275,053	22			70,147	6	82,501	7
1479	Other current assets –other (notes 6(10))	9,251	1	7,948	1						
		770,331	65	907,522	74						
Non-current assets:						2580	Non-current liabilities:				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(20) and 13)	182,475	16	179,000	15		Non-current lease liabilities (notes 6(12) 、(20) 、(23) and 7)	-	-	4,557	-
1550	Investments accounted for using equity method (note 6 (6))	169,121	14	81,816	7		Total liabilities	70,147	6	87,058	7
1600	Property, plant and equipment (note 6(7))	23,462	2	24,566	2		Equity (note 6(2) and (15)) :				
1755	Right-of-use assets (note 6 (8))	4,521	-	9,042	1		Capital stock	383,981	33	383,981	31
1780	Intangible assets (note 6 (9))	11,289	1	14,392	1		Capital surplus	459,500	39	459,435	38
1840	Deferred income tax assets	1,509	-	1,800	-		Retained earnings :				
						3100	Legal reserve	121,910	10	115,721	10
1915	Prepayment for equipment	3,151	-	711	-	3200	Special reserve	4,417	-	-	-
1920	Refundable deposits paid (notes 6(10) 、(20) and 7)	5,471	1	4,049	-		Unappropriated retained earnings	82,232	7	112,647	9
1995	Other non-current financial assets (notes 6(10) and (20))	6,417	1	84	-	3310	Other equity	55,560	5	22,575	2
		407,416	35	315,460	26	3350	Equity attributable to owners of the parent company	1,107,600	94	1,094,359	90
							Equity attributable to former owner of business combination under common control (notes 6(6))	-	-	41,565	3
							Total equity	1,107,600	94	1,135,924	93
Total assets		\$ 1,177,747	100	1,222,982	100		Total liabilities and equity	\$ 1,177,747	100	1,222,982	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 (After restatement)
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2023		2022 (After restatement)	
	AMOUNT	%	AMOUNT	%
4000 Operating revenue (notes 6(17) and 7)	\$ 497,305	100	\$ 464,378	100
5000 Operating costs (notes 6(5) and 7)	210,377	42	184,506	40
Gross profit	286,928	58	279,872	60
6000 Operating expenses (notes 6(3) 、(12) 、(13) 、(18) 、7 and 12):				
6100 Selling expenses	145,102	29	139,681	30
6200 Administrative expenses	56,803	11	50,564	11
6300 Research and development expenses	19,862	4	26,345	6
6450 Expected credit loss	29	-	83	-
	221,796	44	216,673	47
Operating income	65,132	14	63,199	13
Non-operating income and expenses (notes 6(12) 、(19) and 7):				
7100 Interest income	6,217	1	3,224	1
7010 Other income	120	-	95	-
7020 Other gains and losses	5,497	1	10,499	2
7050 Finance costs	(112)	-	(29)	-
Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method	(394)	-	2,194	-
	11,328	2	15,983	3
Profit before tax	76,460	16	79,182	16
7950 Income tax expense (note 6(14))	(11,113)	(2)	(15,098)	(3)
Profit for the year	\$ 65,347	14	\$ 64,084	13
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	40,014	8	(19,323)	(4)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	40,014	8	(19,323)	(4)
8360 Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8380 Shares of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method - components that may be reclassified to profit or loss	(21)	-	19	-
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
Components of other comprehensive income that will not be reclassified to profit or loss	(21)	-	19	-
8300 Other comprehensive income (after tax)	39,993	8	(19,304)	(4)
8500 Total comprehensive income	\$ 105,340	22	\$ 44,780	9
8600 Profit attributable to:				
8610 Equity holders of the parent company	\$ 61,989	13	61,890	13
8615 Equity attributable to former owner of business combination under common control	3,358	1	2,194	-
	\$ 65,347	14	\$ 64,084	13
Total comprehensive income attributable to:				
8710 Equity holders of the parent company	\$ 101,990	21	42,567	9
8715 Equity attributable to former owner of business combination under common control	3,350	1	2,213	-
	\$ 105,340	22	44,780	9
Earnings per share (note 6(16))				
9750 Basic earnings per share	\$ 1.61		\$ 1.61	
9850 Diluted earnings per share	\$ 1.61		\$ 1.61	

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, 2023 and 2022 (After restatement)

	Retained Earnings					Other Equity Interest			Equity attributable to former owner of business combination under common control	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on financial assets at fair value through other comprehensive income	Equity attributable to owners of the parent company		
Balance at January 1, 2022	\$ 383,981	459,361	113,065	-	111,010	-	16,209	1,083,626	-	1,083,626
Retrospective adjustment of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	25,689	25,689	39,248	64,937
Balance at January 1, 2022 after retrospective adjustment	383,981	459,361	113,065	-	111,010	-	41,898	1,109,315	39,248	1,148,563
Net income for the year	-	-	-	-	61,890	-	-	61,890	2,194	64,084
Other comprehensive income for the year	-	-	-	-	-	-	(19,323)	(19,323)	19	(19,304)
Total comprehensive income for the year	-	-	-	-	61,890	-	(19,323)	42,567	2,213	44,780
Distribution of retained earnings										
Legal reserve	-	-	2,656	-	(2,656)	-	-	-	-	-
Cash dividends	-	-	-	-	(57,597)	-	-	(57,597)	-	(57,597)
Other changes in capital surplus	-	74	-	-	-	-	-	74	-	74
Effect of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	104	104
Balance at December 31, 2022 (after restatement)	383,981	459,435	115,721	-	112,647	-	22,575	1,094,359	41,565	1,135,924
Net income for the year	-	-	-	-	61,989	-	-	61,989	3,358	65,347
Other comprehensive income for the year	-	-	-	-	-	(13)	40,014	40,001	(8)	39,993
Total comprehensive income for the year	-	-	-	-	61,989	(13)	40,014	101,990	3,350	105,340
Distribution of retained earnings										
Legal reserve	-	-	6,189	-	(6,189)	-	-	-	-	-
Special reserve	-	-	-	4,417	(4,417)	-	-	-	-	-
Cash dividends	-	-	-	-	(61,437)	-	-	(61,437)	-	(61,437)
Other changes in capital surplus	-	65	-	-	-	-	-	65	-	65
Organizational restructuring	-	-	-	-	(27,157)	(220)	-	(27,377)	(44,915)	(72,292)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,796	-	(6,796)	-	-	-
Balance at December 31, 2023	\$ 383,981	459,500	121,910	4,417	82,232	(233)	55,793	1,107,600	-	1,107,600

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 Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022(after restatement)
Cash flows from operating activities:		
Profit before tax	\$ 76,460	79,182
Adjustments:		
Adjustments to reconcile profit		
Depreciation	7,785	7,059
Amortization	3,991	3,836
Expected credit loss (gain)	29	83
Interest expense	112	29
Interest income	(6,217)	(3,224)
Dividend income	(6,464)	(6,379)
Share of loss (profit) of associates accounted for using equity method	394	(2,194)
Loss on disposal of property, plant and equipment	42	32
Total adjustment to reconcile profit	(328)	(758)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	1,606	(1,361)
Increase in accounts receivable(including related parties)	(2,531)	(6,974)
(Increase) decrease in other receivables	162	(295)
(Increase) decrease in inventories	(16,012)	13,960
(Increase) decrease in other current assets	(1,303)	5,271
Increase (decrease) in notes payable (including related parties)	(287)	292
Increase (decrease) in accounts payable(including related parties)	(2,499)	3,467
Decrease in other payables	(4,755)	(8,197)
Increase in other current liabilities	225	379
Total changes in operating assets and liabilities	(25,394)	6,542
Total adjustments	(25,722)	5,784
Cash flows from operations	50,738	84,966
Interest received	5,653	2,925
Interest paid	(112)	(29)
Income tax paid	(15,868)	(13,972)
Net cash flows from operating activities	40,411	73,890

(Continued)

(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, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022 (after restatement)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	9,121	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	(160,010)	-
Acquisition of property, plant and equipment	(2,202)	(4,298)
Increase in guarantee deposits paid	(1,422)	344
Acquisition of intangible assets	(177)	(14,600)
Decrease in other financial assets - current	158,744	23,536
Decrease (increase) in other assets - non-current	(6,333)	213
Increase in prepayment for equipment	(3,151)	(711)
Dividends received	6,464	6,379
Net cash flows from (used in) investing activities	<u>1,034</u>	<u>10,863</u>
Cash flows used in financing activities:		
Payments of lease liabilities	(4,485)	(4,567)
Cash dividends paid	(61,437)	(57,597)
Net cash flows used in financing activities	<u>(65,922)</u>	<u>(62,164)</u>
Net (decrease) increase in cash and cash equivalents	(22,477)	22,589
Cash and cash equivalents at beginning of year	404,476	381,887
Cash and cash equivalents at end of year	<u>\$ 379,999</u>	<u>404,476</u>

See accompanying notes to financial statements.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of TSH Biopharm Corporation Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of TSH Biopharm Corporation Ltd. and its subsidiaries (the “Group”), which comprise the balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and with the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the consolidated financial statements in the current period are stated as follow:

3. Sales Revenue

Please refer to Note 4(13) of the financial statements for the accounting principles on revenue recognition. Revenues are recognized by net values of contract prices, less sales returns and allowances, after controls of the products are transferred to the customers.

The Group 's sales is mainly from the selling of pharmaceuticals and chemical drugs. Because the customers are diversity and numerous, it takes longer time to verify sales transactions. Therefore, the occurrence is sales transactions is one of the important issue in performing our audit procedures.

Auditing procedures performed include testing the effectiveness of the design and implementing the internal control system of sales and collection operation ; testing the samples of sales transaction before and after the balance sheet date to ensure the correctness of sales revenue and inspecting the related documents to ensure the adequacy and reasonableness of revenue recognition. The auditor also assessed whether the disclosure items related to revenue recognition in the consolidated financial statements are appropriate.

4. **Valuation of Inventories**

Please refer to notes 4(8), 5 and 6(5) of the notes to the consolidated 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 Group's inventory allowance amount based on the nature of the inventories; performing audit to check the correctness of the inventory age report; reviewing the Group'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.

Emphasis of Matter Paragraph

As Note 4(3), TSH Biopharm Corporation Ltd.(the Company) participated in cash capital increase of Chuang Yi Biotech Co. Ltd. on November 24, 2023. The Company has cumulatively acquired 51.6% of Chuang Yi Biotech Co. Ltd., and took control and become the parent comapny. Referring to the regulations of the Accounting Resarch and Development Foundation's IFRS Q&A, the aforementioned transaction is an organizational reorganization under common control, and regarded as an acquisition from the beginning. The Company restated the consolidated financial statements for the year ended December 31, 2022. The auditor did not modify the audit opinion due to this matter.

Other Matter

TSH Biopharm Corporation Ltd. has prepared the parent company only financial statements for the years 2023 and 2022, and they have been audited by our accountants who issued unqualified opinions with an emphasis of matter paragraph and unqualified opinions, respectively. The audit reports are on file for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor’s report are Shin- Ting Huang and Yilien Han.

KPMG

Taipei, Taiwan (Republic of China)

February 27, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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 Consolidated Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets					Liabilities and Equity				
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (notes 6(1) and (21))	\$ 576,585	41	488,904	34	2100 Short-term borrowings (note 6(10) and (21))	\$ -	-	20,000	1
1120 Current financial assets at fair value through other comprehensive income (notes 6(2)、(21) and 13)	79,228	6	51,811	4	2130 Contract liabilities-current (note 6(18))	1,842	-	5,432	-
1150 Notes receivable, net (notes 6(3)、(18) and (21))	14,471	1	16,135	1	2150 Notes payable (note 6(21))	446	-	733	-
1170 Accounts receivable, net (notes 6(3)、(18) and (21))	193,095	14	185,987	13	2170 Accounts payable (note 6(21))	6,730	1	16,954	1
1180 Accounts receivable from related parties (notes 6(3)、(18)、(21) and 7)	766	-	423	-	2180 Accounts payable to related parties (notes 6(21) and 7)	44,248	3	39,949	3
1220 Current income tax assets	34	-	3	-	2200 Other payables (notes 6(11)、(21) and 7)	66,738	5	79,723	6
1200 Other receivables (notes 6(4) and (21))	2,141	-	1,829	-	2230 Current income tax liabilities	2,972	-	8,018	1
130x Inventories (note 6(5))	118,395	9	107,390	8	2280 Current lease liabilities (notes 6(13)、(21)、(24) and 7)	7,397	1	7,316	-
1476 Other financial assets-current (notes 6(1)、(9) and (21))	116,309	8	275,053	19	2322 Long-term borrowings-current portion (notes 6(12)、(21) and 7)	-	-	18,852	1
1479 Other current assets –other (notes 6(9) and 7)	12,735	1	15,371	1	2300 Other current liabilities	3,253	-	8,523	1
						<u>133,626</u>	<u>10</u>	<u>205,500</u>	<u>14</u>
					Non-current liabilities:				
					2540 Long-term borrowings (notes 6(13)、(21))	-	-	9,595	1
					2580 Non-current lease liabilities (notes 6(13)、(21)、(24) and 7)	-	-	7,362	1
	<u>1,113,759</u>	<u>80</u>	<u>1,142,906</u>	<u>80</u>	Total non-current liabilities	<u>-</u>	<u>-</u>	<u>16,957</u>	<u>2</u>
Non-current assets:					Total liabilities	<u>133,626</u>	<u>10</u>	<u>222,457</u>	<u>16</u>
1517 Non-current financial assets at fair value through other comprehensive income (notes 6(2)、(21) and 13)	182,475	13	179,000	13	Equity (note 6(2) and (16)) :				
1600 Property, plant and equipment (note 6(6))	25,359	2	27,011	2	3100 Capital stock	383,981	27	383,981	27
1755 Right-of-use assets (note 6 (7))	7,316	1	14,633	1	3200 Capital surplus	459,500	33	459,435	32
1780 Intangible assets (note 6 (8))	53,636	4	64,068	4	Retained earnings :				
1840 Deferred income tax assets (note 6 (15))	1,509	-	1,800	-	3310 Legal reserve	121,910	9	115,721	8
1915 Prepayment for equipment	3,151	-	806	-	3320 Special reserve	4,417	-	-	-
1920 Refundable deposits paid (notes 6(9)、(21) and 7)	6,237	-	4,815	-	3350 Unappropriated retained earnings	82,232	6	112,647	8
					3400 Other equity	55,560	4	22,575	1
					Equity attributable to owners of the parent company	1,107,600	79	1,094,359	76
					Equity attributable to former owner of business combination under common control	-	-	41,565	3
1984 Other non-current financial assets (notes 6(9))	6,417	-	84	-	35xx Non-controlling interest	158,633	11	76,742	5
	<u>286,100</u>	<u>20</u>	<u>292,217</u>	<u>20</u>	Total equity	<u>1,266,233</u>	<u>90</u>	<u>1,212,666</u>	<u>84</u>
Total assets	\$ 1,399,859	100	1,435,123	100	Total liabilities and equity	\$ 1,399,859	100	1,435,123	100

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

	2023		2022	
	AMOUNT	%	AMOUNT	%
4000 Operating revenue (notes 6(18) and 7)	\$ 810,917	100	\$ 741,066	100
5000 Operating costs (notes 6(5) and 7)	411,018	51	351,196	47
Gross profit	399,899	49	389,870	53
6000 Operating expenses (notes 6(3) 、(8) 、(13) 、(14) 、(19) 、7 and 12):				
6100 Selling expenses	215,734	27	196,619	27
6200 Administrative expenses	97,656	12	93,095	13
6300 Research and development expenses	24,813	3	31,092	4
6450 Expected credit loss (gain)	(1,934)	-	3,039	-
	336,269	42	323,845	44
Operating income	63,630	7	66,025	9
Non-operating income and expenses (notes 6(13) 、(20) and 7):				
7100 Interest income	6,600	1	3,333	-
7010 Other income	915	-	201	-
7020 Other gains and losses	5,634	1	12,381	2
7050 Finance costs	(688)	-	(699)	-
	12,461	2	15,216	2
Profit before tax	76,091	9	81,241	11
7950 Income tax expense (note 6(15))	(11,113)	(1)	(15,098)	(2)
Profit for the year	\$ 64,978	8	\$ 66,143	9
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	40,014	5	(19,323)	(3)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	40,014	5	(19,323)	(3)
8360 Components of other comprehensive income that may be reclassified subsequently to profit or loss				
8380 Exchange differences on translation of foreign financial statements	(41)	-	37	-
8399 Income tax related to components of other comprehensive income that may be reclassified to profit or loss	-	-	-	-
8300 Other comprehensive income (after tax)	39,973	5	(19,286)	(3)
8500 Total comprehensive income	\$ 104,951	13	\$ 46,857	6
8600 Profit attributable to:				
8610 Equity holders of the parent company	61,989	8	61,890	9
8615 Equity attributable to former owner of business combination under common control	3,358	-	2,194	-
Non-controlling interest	(369)	-	(2,059)	-
	\$ 64,978	8	\$ 66,143	9
Total comprehensive income attributable to:				
8710 Equity holders of the parent company	101,990	13	42,567	6
8715 Equity attributable to former owner of business combination under common control	3,350	-	2,213	-
Non-controlling interest	(389)	-	(2,077)	-
	\$ 104,951	13	\$ 46,857	6
Earnings per share (note 6(17))				
9750 Basic earnings per share	\$ 1.61	1.61	\$ 1.61	1.61
9850 Diluted earnings per share	\$ 1.61	1.61	\$ 1.61	1.61

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

TSH Biopharm Corporation Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity Interest		Equity attributable to owners of the parent company	Equity attributable to former owner of business combination under common control	Non-controlling interest	Total equity
	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Cumulative translation differences of foreign operations	Unrealized gain(loss) on fair value through other comprehensive income				
Balance at January 1, 2022	\$ 383,981	459,361	113,065	-	111,010	-	16,209	1,083,626	-	-	1,083,626
Retrospective adjustment of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	25,689	25,689	39,248	74,568	139,505
Balance at January 1, 2022 after retrospective adjustment	383,981	459,361	113,065	-	111,010	-	41,898	1,109,315	39,248	74,568	1,223,131
Net income for the year	-	-	-	-	61,890	-	-	61,890	2,194	2,059	66,143
Other comprehensive income for the year	-	-	-	-	-	-	(19,323)	(19,323)	19	18	(19,286)
Total comprehensive income for the year	-	-	-	-	61,890	-	(19,323)	42,567	2,213	2,077	46,857
Distribution of retained earnings											
Legal reserve	-	-	2,656	-	(2,656)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(57,597)	-	-	(57,597)	-	(-)	(57,597)
Other changes in capital surplus	-	74	-	-	-	-	-	74	-	-	74
Effect of equity attributable to former owner of business combination under common control	-	-	-	-	-	-	-	-	104	-	104
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	97	97
Balance at December 31, 2022	383,981	459,435	115,721	-	112,647	-	22,575	1,094,359	41,565	76,742	1,212,616
Net income for the year	-	-	-	-	61,989	-	-	61,989	3,358	(369)	64,978
Other comprehensive income for the year	-	-	-	-	-	(13)	40,014	40,001	(8)	(20)	39,973
Total comprehensive income for the year	-	-	-	-	61,989	(13)	40,014	101,990	3,350	(389)	104,951
Distribution of retained earnings											
Legal reserve	-	-	6,189	-	(6,189)	-	-	-	-	-	-
Special reserve	-	-	-	4,417	(4,417)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(61,437)	-	-	(61,437)	-	(-)	(61,437)
Other changes in capital surplus	-	65	-	-	-	-	-	65	-	-	65
Organizational restructuring	-	-	-	-	(27,157)	(220)	-	(27,377)	(44,915)	72,292	9,988
Change in non-controlling interest	-	-	-	-	-	-	-	-	-	9,988	9,988
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	6,796	(6,796)	-	-	-	-	-
Balance at December 31, 2023	\$ 383,981	459,500	121,910	4,417	82,232	(233)	55,793	1,107,600	-	158,633	1,266,233

See accompanying notes to financial statements.

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit before tax	\$ 76,091	81,241
Adjustments:		
Adjustments to reconcile profit		
Depreciation	11,251	10,572
Amortization	11,320	10,955
Expected credit loss (gain)	(1,934)	3,039
Interest expense	688	699
Interest income	(6,600)	(3,333)
Dividend income	(6,464)	(6,379)
Loss on disposal of property, plant and equipment	42	55
Total adjustment to reconcile profit	8,303	15,608
Changes in operating assets and liabilities:		
Decrease in notes receivable	1,664	2,981
Increase in accounts receivable	(5,517)	(10,411)
Decrease in other receivables	252	981
Increase in inventories	(11,005)	(13,946)
Decrease in other current assets	2,624	6,715
Decrease in contract liabilities	(3,590)	5,227
Increase (decrease) in notes payable (including relate parties)	(287)	292
Increase(decrease) in accounts payable(including relate parties)	(5,925)	(49,463)
Decrease in other payables	(12,982)	847
Decrease in other current liabilities	(5,205)	5,919
Total changes in operating assets and liabilities	(39,971)	(50,858)
Total adjustments	(31,668)	(35,250)
Cash flows from operations	44,423	45,991
Interest received	6,036	3,035
Interest paid	(688)	(699)
Income tax paid	(15,899)	(13,975)
Net cash flows from operating activities	33,872	34,352

(Continued)

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)
TSH Biopharm Corporation Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	9,121	-
Acquisition of property, plant and equipment	(2,229)	(4,517)
Disposal of property, plant and equipment	-	34
Acquisition of intangible assets	(177)	(15,000)
Decrease (increase) in guarantee deposits paid	(1,422)	832
Decrease in other financial assets - current	158,744	44,671
Decrease (increase) in other non-current assets	(6,333)	213
Increase in prepayment for equipment	(3,151)	788
Dividends received	6,464	6,379
Net cash flows from (used in) investing activities	161,017	33,400
Cash flows used in financing activities:		
Increase in short-term borrowings	-	20,000
Decrease in short-term borrowings	(20,000)	(61,070)
Increase in long-term borrowings	-	30,000
Decrease in long-term borrowings	(28,447)	(13,604)
Payments of lease liabilities	(7,281)	(7,330)
Cash dividends paid	(61,437)	(57,597)
Change in non-controlling interests	9,988	201
Net cash flows used in financing activities	(107,177)	(89,400)
Effect of fluctuations in exchange rate	(31)	27
Net (decrease) increase in cash and cash equivalents	87,681	(21,621)
Cash and cash equivalents at beginning of year	488,904	510,525
Cash and cash equivalents at end of year	\$ 576,585	488,904

See accompanying notes to financial statements.

Attachment 4.

TSH Biopharm Corporation Ltd.
List of Independent Director Candidates

Nominee: Board of Directors

Title	Name	Education	Experience	Number of shares held	Reasons for nominating independent directors who have served for three years
Independent Director	Shiow-Ming Wu	Ph.D. in Law. Ludwig Maximilian University of Munich, Master of Laws, National Chengchi University	[Incumbent] Professor in the Department of Land Economics, National Chengchi University [Former] Independent Director at Chuang Yi Biotech Co., Ltd., Deputy Chairman, Chairman of the Fair Trade Commission, Associate Professor, Professor in the Department of Law at National Chengchi University	0	Not applicable
Independent Director	Yuen-Liang Lai	Diploma, Palliative Medicine, College of Medicine, University of Wales; Bachelor of Medicine, Chung Shan Medical University; Bachelor of Pharmacy, Taipei Medical University	[Incumbent] Honorary Consultant at MacKay Memorial Hospital, Adjunct Professor at MacKay Medical College, Chairman of Taipei YMCA, Vice Chairman of Taiwan Allied Container Terminal Corp [Former] Attending physician, senior attending physician, and honorary attending physician at Mackay Memorial Hospital; Director of the Taiwan Hospice Organization; Chairman of the Mackay Junior College of Medicine; independent director of Chuang Yi Biotech Co., Ltd.; executive supervisor of the Taiwan Academy of Hospice Palliative Medicine; Vice President of Taipei Medical University-Shuang Ho Hospital, Ministry of Health and Welfare (affiliated hospital of Taipei Medical University)	0	Not applicable

Attachment 5.

Information sheet newly added concurrent positions of Board of Directors and their representatives in other companies

Title	Name	Positions concurrently held in other companies at present	
Director	TTY Biopharm Company Limited Representative: Carl Hsiao	Chuang Yi Biotech Co., Ltd.	Director
Director	TTY Biopharm Company Limited Representative: Kang-Chi Chou	APEX Wind Power Equipment Manufacturing Co. Ltd.	Independent Director and Remuneration Committee Member
Independent Director (Candidate)	Yuen-Liang Lai	Taiwan Allied Container Terminal Corp	Vice Chairman

IX. Appendices

Appendix 1

TSH Biopharm Corporation Limited Rules for Election of Directors of the Company

- Article 1: Election of the Company's directors shall be in accordance with these Regulations.
- Article 2: Directors of the Company shall be elected under a candidate nomination system by shareholders at a Shareholders' Meeting from among nominees for directors on the list announced by the Company.
- Article 2-1: The eligibility and election of the Company's independent directors shall comply with the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies and Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.
- Article 3: Election of the Company's directors shall be made through the cumulative voting system, and the names of the voters on the ballots may be replaced by the voters' attendance card number.
- Article 4: Each share will have voting rights in number equal to the directors to be elected. The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The ballots may be cast for a single candidate or for multiple candidates.
Shareholders may elect to exercise their voting rights on site or by electronic means. Shareholders who wish to exercise their voting rights by electronic means shall do so on the electronic voting platform designated by the Company.
- Article 5: The Company's directors shall be elected based on the number of seats 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 Chairman drawing lots on behalf of any person not in attendance.
The number of votes referred to in the preceding paragraph shall be calculated based on the number of votes cast at the Shareholders' Meeting plus the number of votes cast by electronic means.
- Article 5-1: Where a government agency or a juristic person acts as a shareholder of the Company, its authorized representative may also be elected as a director of the Company. If there is a plural number of such authorized representatives, each of them may be so elected.
- 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: Before the election begins, the Chairman shall appoint a number of persons to perform the respective duties of vote monitoring and counting.

Article 8: The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 9: The elector must fill in the name or account name of the person they wish to elect in the "Candidate" column of the ballot. However, if the candidate is a government agency or a corporate shareholder, the Candidate's Account Name column on the ballot shall be the name of the government agency or the corporate shareholder or their representative; if they have multiple representatives, the name of such representatives shall be specified separately.

Article 10: A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Two or more candidates are specified in one ballot.
6. Other words or marks are entered in addition to the name and account name of the candidate.

Article 11: The ballot boxes installed for election of directors shall be opened jointly with the personnel monitoring the voting after the end of the poll.

Article 12: Votes shall be counted under the supervision of the vote monitoring personnel, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected and the list of those failed to be elected and the votes they received, shall be announced by the Chairman on site.

Article 13: Matters not provided in these Regulations shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 14: These Regulations, and any amendments hereto, shall be implemented after approval by a shareholders' meeting.

These Regulations were enacted on December 20, 2010.

These Regulations were revised on June 12, 2012 for the 1st time.

These Regulations were revised on June 13, 2014 for the 2nd time.

These Regulations were revised on June 15, 2017 for the 3rd time.

These Regulations were revised on May 25, 2022 for the 4th time.

Appendix 2

TSH Biopharm Corporation Limited

Articles of Incorporation

Chapter 1: General Provisions

- Article 1: The Company is duly incorporated as a company limited by shares in accordance with the Company Act, and shall have the name of “東生華製藥股份有限公司” in the Chinese language and “TSH BIOPHARM CORPORATION LIMITED” in the English Language.
- Article 2: The business of the Company is as follows:
1. C199990 Manufacture of Other Food Products Not Elsewhere Classified
 2. C802060 Veterinary Drug Manufacturing
 3. F102170 Wholesale of Foods and Groceries
 4. F108021 Wholesale of Western Pharmaceutical
 5. F108031 Wholesale of Medical Devices
 6. F208021 Retail Sale of Western Pharmaceutical
 7. F208031 Retail Sale of Medical Apparatus
 8. F401010 International Trade
 9. F601010 Intellectual Property Rights
 10. IC01010 Medicine Inspection
 11. IG01010 Biotechnology Services
 12. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is headquartered in Taipei City and may set up a branch or operational premises inside and outside the territory of the Republic of China if required, subject to a resolution by the Company’s Board of Directors.
- Article 4: The Company may make guarantees for industry peers whenever the business requires. The total amount of reinvestment made by the Company may exceed 40% of its paid-in capital.
- Article 5: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2: Shares

- Article 6: The Company’s authorized capital shall be NT\$1 billion, divided into 100 million shares, at NT\$10 each; such shares may be issued in installments, subject to an approval from the Board of Directors. A total of 100 million, divided in to 10 million shares, among the above authorized capital shall be reserved for issuing employee stock options.
- Article 6-1 Parties eligible for receiving the shares repurchased by the Company by law, employee stock options, restricted stock awards, and the shares of a follow-on offering that are reserved for employees’ subscription may include the employees of a controlled or subordinate company who meet certain criteria. The criteria, and the manner in which the shares are transferred, distributed, or subscribed shall be determined by the Board of Directors.
- Article 7: The shares issued by the Company need not take the form of share certificates, but shall be registered with the centralized securities depository institutions.
- Article 8: The transfer, ownership transfer, inheritance, bestowal, or pledge of rights or other share-related affairs shall be carried out in accordance with the “Regulations Governing the Administration of Shareholder Services of Public Companies” and relevant laws and regulations.
- Article 9: The Company shall suspend the transfer of shares sixty days prior to an annual shareholders’ meeting, thirty days prior to an extraordinary shareholders’ meeting, and five days prior to the record date for the distribution of dividends, bonuses, or other interests.

Chapter 3: Shareholders' Meeting

- Article 10: An Annual Shareholders' Meeting shall be convened once a year within 6 months after the end of a fiscal year. An Extraordinary Shareholders' Meeting may be convened at any time in the manner specified in law whenever required.
The Company's convening a Shareholders' Meeting may be by video conferencing or other means announced by the competent authority. The qualifications, operating procedures, and other compliance matters required for holding a video conference shall be in accordance with the regulations of the competent authority.
- Article 11: The Company shall notify its intention to convene an annual shareholders' meeting to shareholders in writing at least 30 days before the intended convention date. The Company shall notify its intention to convene an extraordinary shareholders' meeting to shareholders in writing at least 15 days before the intended convention date. The reason for the convening a meeting shall be stated in the notice or announcement.
- Article 12: A shareholder shall be entitled to one vote for each share held, except when the shares are under any circumstance specified in Article 179 of the Company Act.
- Article 13: If a shareholder is not able to attend the shareholders' meeting in person for any reason, he/she may designate a proxy to attend the shareholders' meeting by executing the proxy form printed by the Company. Matters in this regard shall be carried out by Article 177 of the Company Act and the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies".
- Article 14: Resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares, unless the Company Act provides otherwise.
- Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the Chairman of the meeting and a copy shall be distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be distributed by means of announcements. The meeting minutes shall accurately record the year, month, day, and place of the meeting, the Chairman's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results. The minutes shall be retained for the duration of the existence of the Company.
The attendance book bearing the signature of attending shareholders, and the proxy forms shall be retained for at least 1 year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the above-mentioned documents must be retained until the end of the litigation.
- Article 16: If the Company wishes to cease to be a public company, it may do so only after obtaining an approval from the shareholders' meeting; this article shall not be changed during the Company's listing on TWSE, or TPEX.

Chapter 4: Directors and Audit Committee

- Article 17: The Company shall have seven to eleven directors, who shall be elected by the shareholders' meeting from among the director nominees list through a candidate nomination system. The term of office for directors shall be three years and the directors may be re-elected; if the term of office expires before the following election takes place, the term of office may be extended until the newly elected directors take office. The total registered shares owned by the directors of the Company shall be in accordance with the standard set forth in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" promulgated by the competent authority.
Election of the Company's directors shall be made through an uninominal cumulative voting system. Where there is a need to revise the election method, the Company may do so in accordance with Article 172, Paragraph 5 of the Company Act, and shall state a comparison of the election methods before and after revision in tabular format in the reasons for convening the shareholders' meeting.
- Article 18: Of the said number of directors, at least three shall be independent directors, who shall constitute at least one fifth of all directors. The professional qualifications, restrictions on both shareholding and concurrent positions held, determination of independence, method of nomination, and other requirements with regard to the independent directors shall be set forth in accordance with the regulations of the competent authority.
- Article 19: When the number of vacancies in the Board of Directors of the Company equals to one-third of the total number of directors, the Board of Directors shall call a special meeting of shareholders to elect succeeding directors to fill the vacancies. However, directors so elected shall serve a term equal to the remaining term of the predecessor.
- Article 20: The board meeting of the Company shall be convened at least once a quarter.
The reasons for calling a board of directors meeting shall be notified to each director at least seven days in advance. In emergency circumstances, however, a meeting may be called at short notice.
The notice of the convention of the meeting mentioned in the preceding paragraph may be given by correspondence, fax, or email.

- Article 20-1: The Board of Directors may set up an audit committee, remuneration committee, or other functional committees based on operating needs. The audit committee shall be composed of all independent directors, of whom at least one shall be the convener and at least one shall be an expert in accounting or finance.
The duties, charter, and exercise of powers of the audit committee mentioned in the preceding paragraph, and other compliance matters thereof, shall be carried out in accordance with the regulations of the competent authority and the Company.
- Article 21: The Board of Directors shall be composed of directors. A chairman of the Board of Directors shall be elected from among the directors by a majority vote at a Board of Directors meeting attended by two-thirds or more of all directors. A vice chairman of the Board of Directors shall be elected in the same manner.
- Article 22: When the Chairman asks for leave or cannot exercise his powers for any reason, his proxy shall handle the matters in accordance with Article 208 of the Company Act.
- Article 23: Directors shall attend the board meeting in person. When a director designates a proxy to attend the meeting on his/her behalf, such designation of proxy shall be made in accordance with Article 205 of the Company Act. Where a Board of Directors meeting is convened by videoconferencing, directors attending the meeting by videoconferencing shall be deemed to have attended the meeting in person.
- Article 24: All business policies and important matters of the Company shall be in accordance with the resolutions of the Board of Directors. Resolutions at a Board of Directors meeting shall be adopted by a majority vote of the directors present, who represent more than one-half of the total number of directors, unless the Company Act provides otherwise.
- Article 25: The Company shall purchase liability insurance for directors to reduce the risk of directors being sued by shareholders or other stakeholders due to performance of duties as required by law.
- Article 26: When directors perform duties, the Company must pay them compensation regardless of the Company's being in profit or loss. The Board of Directors is authorized to determine the compensation based on directors' participation in the Company's operations and the value of their contribution, and by reference to the prevailing payment standards among industry peers. If the Company makes profits, additional remuneration shall be paid in the manner specified in Article 29.

Chapter 5: Managers

- Article 27: The Company may have several managers. Their appointment, dismissal, and compensation shall comply with Article 29 of the Company Act.

Chapter 6: Accounting

- Article 28: The Company shall do a final accounting at the end of a fiscal year, which spans from January 1 through December 31. The Company's Board of Directors shall compile the following documents at the end of a fiscal year and submit them to the Shareholders' Meeting for adoption.
1. Business Report
 2. Financial Statements
 3. Proposal to distribute earnings or compensate for prior losses
- Article 29: Where the Company makes a profit in the year, it shall allocate 2% to 8% of the profit as employees' compensation, which may be paid out in stock or cash as per the resolution by the Board of Directors. The recipients of the compensation may include employees of a controlled or subordinate companies who meet certain criteria. The Company may allocate no more than 2% of the above-mentioned profit as the directors' compensation, which can be paid only in cash. The proposals to distribute compensation to employees and directors shall be reported at the Shareholders' Meeting.
However, if the Company is still in losses, an amount equal to such losses shall be reserved before such earnings can be distributed as employees' compensation and directors' compensation in the proportion mentioned above.
- Article 29-1: In the event of surplus earnings after the closing of annual accounts, due taxes shall be paid in accordance with the law, and losses incurred in previous years shall be compensated for. Upon completion of the preceding actions, 10% of the remainder surplus shall be allocated as legal reserves. However, in the event that the accumulated legal reserves are equivalent to or exceed the Company's total paid-in capital, such allocation may be exempted. The remainder may be set aside or reversed as special surplus reserve in accordance with laws and regulations. If there are remainder earnings, the Board of Directors shall draft an earnings distribution proposal regarding the remainder of the earnings plus accumulated undistributed earnings for approval at the shareholders' meeting, at which the allocation of shareholders' dividends shall be decided.

Article 30: As the end of each year, the Board of Directors takes into account factors, including the Company's profitability, capital and financial structure, future operating needs, cumulative earnings, legal reserves, and market competition, and then drafts an earnings distribution proposal and submits it to the shareholders' meeting for resolution before distributing earnings.

Article 31: The Company may, as per financial, business, and operating factors, distribute no less than 50% of the distributable earnings for the year. To reinforce the Company's financial structure and take into account investors' rights and interests, the Company adopts a dividend balance approach and pays out more than 50% of the dividends distributed in the year as cash dividends.

Chapter 7: Supplementary Provisions

Article 32: Any matter not covered in this Articles of Incorporation shall be implemented in accordance with the Company Act and other related laws & regulations.

Article 33: This Articles of Incorporation was established on June 25, 2010.

The 1st revision was made on December 20, 2010.

The 2nd revision was made on October 6, 2011.

The 3rd revision was made on June 19, 2013.

The 4th revision was made on June 23, 2015.

The 5th revision was made on June 23, 2016.

The 6th revision was made on June 15, 2017.

The 7th revision was made on June 15, 2018.

The 8th revision was made on May 29, 2020.

The 9th revision was made on May 25, 2022.

Appendix 3

TSH Biopharm Corporation Limited Rules of Procedure for Shareholders' Meeting

- I. The rules of procedures for the Company's shareholders' meetings, except as otherwise provided by law or regulation, shall be as provided in these Rules.
- II. The Shareholders' Meeting shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance is counted based on the number of shares indicated on the attendance book and represented by the submitted attendance card, plus the number of shares cast electronically.
- III. The attendance and voting at the shareholders' meeting shall be calculated in accordance with shares.
- IV. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders 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 the independent directors with respect to the place and time of the meeting.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman is on leave or for any reason unable to exercise the powers of the Chairman, the Chairman shall appoint one of the directors to act as an acting chairman. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as the Chairman. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting.
- VI. The Company may designate its attorney, certified public accountant, or other relevant persons to attend the meeting. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or armbands.
- VII. The Company shall audio or video record the whole meeting proceedings and shall keep the audio or videos for at least one year.
- VIII. The Chairman shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the Chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If after two postponements the attending shareholders represent less than one-third of the total number of issued shares, the Chairman may announce that the meeting has failed to be convened for lack of a quorum. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, a tentative resolution may be adopted according 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 Chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- IX. If a shareholders' meeting is 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 (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the powers to convene that is not the Board of Directors. The Chairman may not declare the meeting adjourned prior to 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 conclusion of the meeting, shareholders may not elect a chairman to continue the meeting at the original meeting venue or another place.
- X. Before speaking, an attending shareholder must specify on a 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 will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the Chairman shall stop any violation.

- XI. Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the Chairman may terminate the speech.
- XII. When a juristic person serves as an agent to attend the shareholders' meeting, it may only appoint one person as a representative at 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.
- XIII. The Chairman may reply in person or assign relevant personnel to reply after shareholders attended the shareholders' meeting spoke.
- XIV. When the Chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed, call for a vote, and schedule sufficient time for voting.
- XV. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
- XVI. When a meeting is in progress, the chairman may announce a break based on time considerations.
- XVII. The voting of motions shall be approved by more than 50% of the voting powers from present shareholders unless the Company Act and the Articles of Incorporation regulate otherwise. At the time of a vote, for each proposal, the chairman or a person designated by the chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders.
- XVIII. Where there are amendments or alternatives to single motion, the chairman decide the voting order of such alone with original motion. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XIX. The Chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- XX. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be affected in the same manner.
- XXI. These Rules were established on September 1, 2010.
The 1st revision was made on May 29, 2020.

Appendix 4

Shareholding status of all directors as a whole

Book closure date: March 26, 2024

Title	Name	Number of shares registered in the shareholder register
Chairman	TTY Biopharm Company Limited Representative: Chuan Lin	21,687,177
Director	TTY Biopharm Company Limited Representative: Carl Hsiao Representative: Kang-Chi Chou Representative: Yong-Liang Wu	
Independent Director	Te-Yu Chou	0
Independent Director	Rwei-Syun Chen	0
Independent Director	Yaw-Bin Huang	0

Note:

1. As of March 26, 2024, the Company issued a total of 38,398,140 shares.
2. The minimum shareholding required of all directors is 3,600,000 shares, and the number of shares registered in the shareholder register is 21,687,177 shares.