

**TSH BIOPHARM CORPORATION LIMITED**  
**2024 Annual General Meeting Minutes**  
**(Translation Version)**

- Time: May 24, 2024(Friday) 9:00 AM
- Location: Room 423, Nankang Software Incubator  
(Building E, 4th Floor, No. 19-11, Sanchong Road, Nangang District, Taipei City)
- Total outstanding TSH shares: 38,398,140 shares  
Total shares represented by shareholder present in person or by proxy:  
23,535,438 shares  
Percentage of shares held by shareholder present in person or by proxy:  
61.29%
- Directors Present: Lin, Chuan; Carl Hsiao; Wu, Yong-Liang; Chou, Te-Yu (Independent Director & Chairman of the Audit Committee); Huang, Yaw-Bin (Independent Director)
- Attendance: Han, Yilien CPA of KPMG; Lin, Cheng-Lung of Guo Lian Law Office
- Chairman: Lin, Chuan
- Recorder: Huang, Shu-Ping

**Meeting procedures**

- 1. Calling the Meeting to Order.**
- 2. Meeting formalities.**
- 3. Chairman's remarks. (Omitted)**
- 4. Report Items.**
  - (1) The Company's 2023 Business Report. (Please refer to Attachment 1)
  - (2) The Audit Committee reviews the financial statements of 2023. (Please refer to Attachment 2)
  - (3) Report on the distribution of compensation to employees and directors of 2023. (Please refer to Handbook)

## 5. Ratification Items.

### Item 1

Proposed by the Board of Directors

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 and Attachment 3 respectively.

Voting Results: Shares represented at the time of voting: 23,535,438 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,466,537 shares (including votes casted electronically 22,047,683 shares)	99.70%
Votes against: 34,713 shares (including votes casted electronically 34,713 shares)	0.14%
Invalid votes: 0 shares	0.00%
Votes abstained and not voted: 34,188 shares (including votes casted electronically 34,188 shares)	0.14%

**Resolution: RESOLVED, 99.70% of total represented voting rights present voted for and this proposal was approved as proposed.**

### Item 2

Proposed by the Board of Directors

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 Ltd.  
Earnings Distribution Statement for 2023

Unit: 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

Voting Results: Shares represented at the time of voting: 23,535,438 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,467,537 shares (including votes casted electronically 22,048,683 shares)	99.71%
Votes against: 34,713 shares (including votes casted electronically 34,713 shares)	0.14%
Invalid votes: 0 shares	0.00%
Votes abstained and not voted: 33,188 shares (including votes casted electronically 33,188 shares)	0.14%

**Resolution: RESOLVED, 99.71% of total represented voting rights present voted for and this proposal was approved as proposed.**

## 6. Election Matters

### Item 1 (Proposed by the Board of Directors)

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 through May 24, 2026.
3. The Board of Directors had resolved the list of candidates for independent directors on February 27, 2024, please refer to the Handbook.

#### Voting Result:

List of directors elected

Type of Candidate	Name	Votes received
Independent Director	Shiow-Ming Wu	24,096,286
Independent Director	Yuen-Liang Lai	22,487,732

## 7. Other proposals

### Item 1 (Proposed by the Board of Directors)

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 4.

Voting Results: Shares represented at the time of voting: 23,535,438 shares

Voting Results	percentage of the total represented share present
Votes in favor: 23,450,891 shares (including votes casted electronically 22,032,037 shares)	99.64%
Votes against: 46,682 shares (including votes casted electronically 46,682 shares)	0.19%
Invalid votes: 0 shares	0.00%

Votes abstained and not voted: 37,865 shares (including votes casted electronically 37,865 shares)	0.16%
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**Resolution: RESOLVED, 99.64% of total represented voting rights present voted for and this proposal was approved as proposed.**

**8. Questions and Motions : None.**

**9. Adjournment: 9 : 29 AM, May 24, 2024**

There is no question from shareholders at this Annual General Meeting.

**(The minutes of the shareholder's general meeting record the essentials and results of the meeting in accordance with Article 183, Item 4 of the Company Act. The contents, procedures and shareholder speeches of the meeting are still subject to the audio-visual records of the meeting.)**

## TSH Biopharm Coporation Ltd 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 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.

Chairperson: 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 Research 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

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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)			
		Amount	%	Amount	%	Amount	%	Amount	%		
<b>Assets</b>						<b>Liabilities and Equity</b>					
<b>Current assets:</b>						<b>Current liabilities:</b>					
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						
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(20) and 13)	182,475	16	179,000	15	2580	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			70,147	6	87,058	7
1600	Property, plant and equipment (note 6(7))	23,462	2	24,566	2						
1755	Right-of-use assets (note 6 (8))	4,521	-	9,042	1						
1780	Intangible assets (note 6 (9))	11,289	1	14,392	1						
1840	Deferred income tax assets	1,509	-	1,800	-						
1915	Prepayment for equipment	3,151	-	711	-						
1920	Refundable deposits paid (notes 6(10) 、(20) and 7)	5,471	1	4,049	-						
1995	Other non-current financial assets (notes 6(10) and (20))	6,417	1	84	-						
		407,416	35	315,460	26						
	<b>Total assets</b>	<b>\$ 1,177,747</b>	<b>100</b>	<b>1,222,982</b>	<b>100</b>						
						<b>Total liabilities and equity</b>					
								\$ 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 <b>Operating revenue</b> (notes 6(17) and 7)	\$ 497,305	100	\$ 464,378	100
5000 <b>Operating costs</b> (notes 6(5) and 7)	210,377	42	184,506	40
<b>Gross profit</b>	286,928	58	279,872	60
6000 <b>Operating expenses</b> (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
<b>Operating income</b>	65,132	14	63,199	13
<b>Non-operating income and expenses</b> (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
	76,460	16	79,182	16
7950 <b>Income tax expense</b> (note 6(14))	( 11,113)	( 2 )	( 15,098 )	( 3 )
<b>Profit for the year</b>	\$ 65,347	14	\$ 64,084	13
8300 <b>Other comprehensive income</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
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	-	-	-	-
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	40,014	8	( 19,323 )	( 4 )
8360 <b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>				
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	-	-	-	-
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	( 21)	-	19	-
8300 <b>Other comprehensive income (after tax)</b>	39,993	8	( 19,304 )	( 4 )
8500 <b>Total comprehensive income</b>	\$ 105,340	22	\$ 44,780	9
8600 <b>Profit attributable to:</b>				
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
<b>Total comprehensive income attributable to:</b>				
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
<b>Earnings per share</b> (note 6(16))				
9750 <b>Basic earnings per share</b>	\$ 1.61		\$ 1.61	
9850 <b>Diluted earnings per share</b>	\$ 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)**  
(Expressed in Thousands of New Taiwan Dollars)

	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		
<b>Balance at January 1, 2022</b>	\$ 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
<b>Balance at December 31, 2022 (after restatement)</b>	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)	-	-	-	-
<b>Balance at December 31, 2023</b>	\$ 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.

**TSH Biopharm Corporation Ltd.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	<b>2023</b>	<b>2022(after restatement)</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 76,460	79,182
<b>Adjustments:</b>		
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 )
<b>Net cash flows from operating activities</b>	<b>40,411</b>	<b>73,890</b>

(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>
<b>Cash flows from (used in) investing activities:</b>		
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	<u>6,464</u>	<u>6,379</u>
<b>Net cash flows from (used in) investing activities</b>	<u>1,034</u>	<u>10,863</u>
<b>Cash flows used in financing activities:</b>		
Payments of lease liabilities	( 4,485 )	( 4,567 )
Cash dividends paid	<u>( 61,437 )</u>	<u>( 57,597 )</u>
<b>Net cash flows used in financing activities</b>	<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	<u>404,476</u>	<u>381,887</u>
Cash and cash equivalents at end of year	<u><u>\$ 379,999</u></u>	<u><u>404,476</u></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:

#### 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 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.

## **2. 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 company. Referring to the regulations of the Accounting Research 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

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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	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
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>
<b>Non-current assets:</b>						<b>Non-current liabilities:</b>					
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(2) 、(21) and 13)	182,475	13	179,000	13	2540	Long-term borrowings (notes 6(13) 、(21))	-	-	9,595	1
1600	Property, plant and equipment (note 6(6))	25,359	2	27,011	2	2580	Non-current lease liabilities (notes 6(13) 、(21) 、(24) and 7)	-	-	7,362	1
1755	Right-of-use assets (note 6 (7))	7,316	1	14,633	1	<b>Total non-current liabilities</b>		<u>-</u>	<u>-</u>	<u>16,957</u>	<u>2</u>
1780	Intangible assets (note 6 (8))	53,636	4	64,068	4	<b>Total liabilities</b>		<u>133,626</u>	<u>10</u>	<u>222,457</u>	<u>16</u>
1840	Deferred income tax assets (note 6 (15))	1,509	-	1,800	-	<b>Equity (note 6(2) and (16)) :</b>					
1915	Prepayment for equipment	3,151	-	806	-	3100	Capital stock	383,981	27	383,981	27
1920	Refundable deposits paid (notes 6(9) 、(21) and 7)	6,237	-	4,815	-	3200	Capital surplus	459,500	33	459,435	32
1984	Other non-current financial assets (notes 6(9))	6,417	-	84	-	Retained earnings :					
		<u>286,100</u>	<u>20</u>	<u>292,217</u>	<u>20</u>	3310	Legal reserve	121,910	9	115,721	8
<b>Total assets</b>		<u>\$ 1,399,859</u>	<u>100</u>	<u>1,435,123</u>	<u>100</u>	3320	Special reserve	4,417	-	-	-
						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
						Non-controlling interest		158,633	11	76,742	5
						<b>Total equity</b>		<u>1,266,233</u>	<u>90</u>	<u>1,212,666</u>	<u>84</u>
						<b>Total liabilities and equity</b>		<u>\$ 1,399,859</u>	<u>100</u>	<u>1,435,123</u>	<u>100</u>

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 <b>Operating revenue</b> (notes 6(18) and 7)	\$ 810,917	100	\$ 741,066	100
5000 <b>Operating costs</b> (notes 6(5) and 7)	411,018	51	351,196	47
<b>Gross profit</b>	399,899	49	389,870	53
6000 <b>Operating expenses</b> (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
<b>Operating income</b>	63,630	7	66,025	9
<b>Non-operating income and expenses</b> (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
<b>Profit before tax</b>	76,091	9	81,241	11
7950 <b>Income tax expense</b> (note 6(15))	(11,113)	(1)	(15,098)	(2)
<b>Profit for the year</b>	\$ 64,978	8	\$ 66,143	9
8300 <b>Other comprehensive income</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
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	-	-	-	-
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>	40,014	5	(19,323)	(3)
8360 <b>Components of other comprehensive income that may be reclassified subsequently to profit or loss</b>				
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 <b>Other comprehensive income (after tax)</b>	39,973	5	(19,286)	(3)
8500 <b>Total comprehensive income</b>	\$ 104,951	13	\$ 46,857	6
8600 <b>Profit attributable to:</b>				
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
<b>Total comprehensive income attributable to:</b>				
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
<b>Earnings per share</b> (note 6(17))				
9750 <b>Basic earnings per share</b>	\$ 1.61		\$ 1.61	
9850 <b>Diluted earnings per share</b>	\$ 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 financial assets at fair value through other comprehensive income				
<b>Balance at January 1, 2022</b>	\$ 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
<b>Balance at December 31, 2022</b>	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	-
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)	-	-	-	-	-
<b>Balance at December 31, 2023</b>	\$ 383,981	459,500	121,910	4,417	82,232	(233)	55,793	1,107,600	-	158,633	1,266,233

(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)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 76,091	81,241
<b>Adjustments:</b>		
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	<u>8,303</u>	<u>15,608</u>
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	<u>( 39,971 )</u>	<u>( 50,858 )</u>
Total adjustments	<u>( 31,668 )</u>	<u>( 35,250 )</u>
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 )
<b>Net cash flows from operating activities</b>	<u>33,872</u>	<u>34,352</u>

(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)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from (used in) investing activities:</b>		
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	<u>6,464</u>	<u>6,379</u>
<b>Net cash flows from (used in) investing activities</b>	<u>161,017</u>	<u>33,400</u>
<b>Cash flows used in financing activities:</b>		
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	<u>9,988</u>	<u>201</u>
<b>Net cash flows used in financing activities</b>	<u>( 107,177 )</u>	<u>( 89,400 )</u>
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	<u>488,904</u>	<u>510,525</u>
Cash and cash equivalents at end of year	<u>\$ 576,585</u>	<u>488,904</u>

See accompanying notes to financial statements.

Attachment 4

**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	Yuen-Liang Lai	Taiwan Allied Container Terminal Corp	Vice Chairman