



2010 Annual General Shareholders' Meeting

Meeting Agenda

Date: April 15, 2010

Place: Video Conference Center, 2F, Building A, Nangang
Software Industrial Park I
(2F., No.19-10, Sanchong Rd., Nangang Dist., Taipei City)

Content

I.	Meeting Procedures.....	1
II.	Meeting Agenda.....	2
	1、 Report Items.....	3
	2、 Proposals	4
	3、 Election	6
	4、 Discussions.....	7
	5、 Special Motions.....	7
III.	Attachment	
	1、 Business Report.....	9
	2、 Supervisors' Report.....	13
	3、 2008 and 2007 Financial Statements and Independent Auditor' s Report	16
	4、 2009 Financial Statements and Independent Auditor' s Report.....	23
	5、 2009 Consolidated Financial Statements and Independent Auditor' s Report.....	30
IV.	Appendix	
	1、 Articles of Incorporation.....	37
	2、 Procedures and Rules of Shareholders Meeting.....	41
	3、 Rules Governing the Election of Directors and Supervisors.....	46
	4、 Shareholdings of Directors and Supervisors.....	48

I. Meeting Procedures

TaiMed Biologics Inc. Shareholders' Meeting Agenda

1. Call the Meeting to Order
2. Chairman's Address
3. Report Items
4. Proposals
5. Election
6. Discussions
7. Special Motions
8. Meeting Adjourned

II. Meeting Agenda

TaiMed Biologics Inc. Shareholders' Meeting Agenda

Time: 9:30 a.m., April 15 (Thursday), 2010

Place: Video Conference Center, 2F, Building A, Nangang Software
Industrial Park I

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

Attendants: All shareholders or their proxy holders

Chairman: Kung-Ming Lu

1. Chairman's Speech:

2. Report Items:

- (1) Business report of 2009
- (2) Supervisors' report
- (3) To develop phase II trials for new medicine, the Company has losses reaching one half of paid-in capital

3. Proposals:

- (1) Adoption of the 2008 and 2007 financial restatements in accordance with Guidelines Governing the Preparation of Financial Reports by Securities Issuers
- (2) Adoption of 2009 business report and financial statements
- (3) Adoption of the proposal for 2009 loss offsetting

4. Elections:

- (1) Election of all Directors and Supervisors

5. Discussions:

- (1) To approve the proposal for removal of non-competition restrictions on Directors.
- (2) To approve the amendment of the Company's Articles of Incorporation

6. Special Motions

7. Meeting Adjourned

Report Items

1. Business report for 2009

Explanatory Notes: See page 9 of attachment 1 as reference

2. Supervisors' report

Explanatory Notes: The 2008 and 2007 financial restatements in accordance with Guidelines Governing the Preparation of Financial Reports by Securities Issuers and 2009 supervisors' report for 2009 financial statements are attached hereto as page 13-14 of attachment 2.

3. To develop new medicine and implement phase II b human trials for TMB-355 American FDA , the Company has losses reaching one half of paid-in capital.

Explanatory Notes: The Company has technology transfer of new medicine Ibalizumab(TMB-355), a monoclonal antibodies, for AIDS from American Genentech and invested big amount of capital to proceed FDA phase II b human trials. The result is extremely significant and expected to have high value addition. However, these research expenses cannot be capitalized in accordance with current accounting principals and shall be recognized as current expenses. Therefore, the accumulative losses have reached one half of paid-in capital. The shareholders' meeting is hereby convened by the Board of Directors to report in accordance with paragraph 1 of article 211 of Company Law. The project for improvement of the Company is to manage capital increase NT\$690 millions to replenish operation capital and improve the financial structure.

Proposals

- 1、Adoption of the 2008 and 2007 financial restatements in accordance with Guidelines Governing the Preparation of Financial Reports by Securities Issuers (submitted by Board of Directors)

Explanatory Note: 1. The Company plans to manage public offering in 2010. According to the regulations of Financial Supervisory Commission, the financial statements of public offering company shall be prepared in accordance with Guidelines Governing the Preparation of Financial Reports by Securities Issuers. Therefore, the Company prepared 2008 and 2007 financial restatements audited by Accountants An-Hui Lin and Yu-Mei Hung of Deloitte and Touche and the unqualified opinion was issued and approved by Board of Directors.

2. See page 15-21, attachment 3 for auditor's report and financial statements.

Resolution:

- 2、Adoption of 2009 business report and financial statements (submitted by Board of Directors)

Explanatory Note: 1. The Company's 2009 financial statements were audited by Accountants An-Hui Lin and Yu-Mei Hung of Deloitte and Touche and the unqualified opinion was issued and approved by Board of Directors.

2. See page 22-23, attachment 4 & 5 for auditor's report and preceding business report, financial statements.

Resolution:

3、Adoption of the proposal for 2009 loss offsetting (submitted by Board of Directors)

Explanatory Note: See page 5 for the Company's 2009 deficit compensation

Resolutions: :

TaiMed Biologics, Inc
Loss Offsetting Statement
2009

Unit: NT\$

	Accumulated loss during development stage
Beginning balance as of January 1, 2009	(417,504,010)
Net loss from January 1 to December 31 2009	<u>(220,814,509)</u>
Accumulated loss as of December 31, 2009	(638,318,519)

Chairman:

Manager:

Chief Accountant:

Election

- 1 、 Election of all Directors and Supervisors (submitted by Board of Directors)

Explanatory Note: The tenure of directors and supervisors of the 1st Board will be end on September 2, 2010. As necessary for business (to cooperate with requirements for public offering and emerging market trading), the company proposes to duly elect 7 directors and 2 supervisors. The tenure of office of directors and supervisors shall be three years from April 15, 2010 to April 14, 2013. The original directors and supervisors shall be discharged as completion of election for directors and supervisors in shareholders' meeting.

Discussions

1. To approve the proposal for removal of non-competition restrictions on Directors. (submitted by Board of Directors)

Explanatory Note: 1. According to regulations set forth in paragraph 1 of Article 209 of Company Law “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

2. It is proposed release of the directors and representatives of the Company from non-competition restrictions specified in Article 209 of the Company Law.
3. Incase that the corporate director of the Company needs to change the corporate representative, the release of non-competition restrictions shall be applied to said corporate representative.

Resolution:

2. To approve the amendment of the Company’s Articles of Incorporation. (submitted by Board of Directors)

Explanatory Note:

1. In order to conform to latest regulations, the company hereby proposes to amend the Articles of Incorporation of the company.
2. The comparison table is shown as follows.

Article	Before Amendment	After Amendment	Description
Article 8	The share certificates of the Corporation shall be	The share certificates of the Corporation shall be	Regulations regarding

	<p>name-bearing with company seal affixed and at least three directors signed or sealed, and shall be issued after authentication by competent authority or approved share registration institutes. The Corporate may be exempted from printing share certificates after public offering.</p>	<p>name-bearing with company seal affixed and at least three directors signed or sealed, and shall be issued after authentication by competent authority or approved share registration institutes. <u>The Corporate may adopt combined printing or be exempted from printing share certificates. However, those shares shall be kept and registered in securities central depository institution.</u> The Corporate may be exempted from printing share certificates after public offering. <u>However, those shares shall be registered in a securities central depository institution.</u></p>	<p>exemption of physical share certificates</p>
Article 17	<p>In case that the Chairman is absence or is unable to exercise rights for causes, the proxy shall comply with regulations set forth in Article 208 of Company law. Directors may participate the meeting of Board of Directors by mean of videoconference. A director so participating shall be deemed to be</p>	<p>In case that the Chairman is absence or is unable to exercise rights for causes, the proxy shall comply with regulations set forth in Article 208 of Company law. Directors may participate the meeting of Board of Directors by mean of videoconference. A director so participating shall be deemed to be present in person. <u>The</u></p>	<p>Add convention for meeting of Board of Directors</p>

	present in person.	<u>convention for the meeting of Board of Directors may be conducted via notice in writing, email or fax to Directors and Supervisors</u>	
Article 24	These Articles of Incorporation was established on September 3, 2007, the first Amendment was on May 16, 2008, the second Amendment on April 28, 2009, the third Amendment on June 17, 2009, the fourth Amendment on December 11, 2009	These Articles of Incorporation was established on September 3, 2007, the first Amendment was on May 16, 2008, the second Amendment on April 28, 2009, the third Amendment on June 17, 2009, the fourth Amendment on December 11, 2009 <u>and the fifth amendment on April 17, 2010.</u>	

Resolution:

Special Motion

Meeting Adjourned

Attachment 2

Supervisors' Report

Supervisors' Report

The Board of Directors has prepared and submitted to us the Company's 2008 and 2007 financial statements. These statements have been audited by Deloitte & Touche. We as the Supervisors of the Company have reviewed these statements. According to the Article 219 of Company Law, we hereby submit this report.

To

2010 Shareholders' Meeting

TaiMed Biologics Inc.

Supervisor: Hsiao-Lin Shen

Date: March 1, 2010

Supervisors' Report

The Board of Directors has prepared and submitted to us the Company's 2009 financial statements. These statements have been audited by Deloitte & Touche present fairly the financial position of the Company and the results of its operations and the cash flows. We as the Supervisors of the Company have reviewed these statements, statements, the Business Report and the Proposal relating to Loss Offsetting. According to the Article 219 of Company Law, we hereby submit this report.

To

2010 Shareholders' Meeting

TaiMed Biologics Inc.

Supervisor: Hsiao-Lin Shen

Date: March 1, 2010

Attachment 3

2008 & 2007
Financial Statements and Independent
Auditor' s Report

Independent Auditor's Report

The Board of Directors and Shareholders
TaiMed Biologics Inc.

We have audited the accompanying balance sheets of TaiMed Biologics Inc. as of December 31, 2008 and 2007 during the foundation period and the related statements of income; changes in stockholder's equity and cash flows for the period from January 1 to December 31, 2008 and September 5 (founding date of the Company) to December 31, 2007 during the foundation period. These financial statements, which were prepared from the accounts maintained at the Company, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing the Audit of Financials Statements by Certified Public Accountants" and auditing standards generally accepted in Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to first paragraph present fairly, in all material respects, the financial position of TaiMed Biologics Inc. as of December 31, 2008 and 2007 and the result of its operations and its cash flows for the period from January 1 to December 31, 2008 and September 5 (founding date of the Company) to December 31, 2007, in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards and accounting principles generally accepted in the Republic of China.

Deloitte & Touche
CPA

CPA

January 29, 2010

TaiMed Biologics Inc.
Balance Sheet
(Foudation Period)
December 31, 2008 and 2007

Unit: NTD

Code	Assets	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 7</u>	<u>%</u>	Code	Liabilities & Shareholders' Equity	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 7</u>	<u>%</u>
		A m o u n t		A m o u n t				A m o u n t		A m o u n t	
Current Assets						Current Liabilities					
1100	Cash (note 3)	\$ 409,284,848	56	\$ 429,354,323	54	2170	Accrued expenses (note 8)	\$ 32,551,463	4	\$ 20,293,230	3
1310	Financial assets at fair value through income statement (note 2 & 4)	12,010,281	2	22,424	-	2150	Account payable – related parties (note 15)	-	-	2,658,848	-
1178	Other receivables	1,106,665	-	5,096	-	2210	Other accounts payable (note 16)	152,600,000	21	162,150,000	20
1298	Prepaid expenses and other current assets (note 15)	<u>697,320</u>	-	<u>93,939</u>	-	2298	Other current liabilities	<u>28,603</u>	-	<u>79,291</u>	-
11XX	Total current assets	<u>423,099,114</u>	58	<u>429,453,358</u>	54	21XX	Total current liabilities	<u>185,180,066</u>	25	<u>185,181,369</u>	23
Long-term Investment						Shareholders' Equity					
1421	Long-term Investment using equity method note 2 & 5)	<u>33,044,186</u>	4	<u>55,785,286</u>	7	3110	Common shares - \$10 par value, authorized: 100,000 thousand shares; issued:	970,000,000	132	660,000,000	82
14XX	Total long-term investment	<u>33,044,186</u>	4	<u>55,785,286</u>	7	33XX	Accumulated Loss during foundation period	(417,504,010)	(57)	(43,439,916)	(5)
Fixed assets (note 2 & 6)						Other items of shareholders' equity					
1531	Machinery equipment	2,102,858	-	-	-	3420	Accumulated translation adjustment	<u>(3,735,251)</u>	-	<u>(212,473)</u>	-
1561	Office equipment	1,051,181	-	-	-	3XXX	Total Other Shareholders' Equity Items	<u>548,760,739</u>	75	<u>616,347,611</u>	77
1611	Lease Betterment	<u>2,790,477</u>	1	-	-						
	Total Cost	15,148,202	1	-	-						
15X9	Minus: accumulated depreciation	<u>(626,246)</u>	-	-	-						
	Subtotal of Cost	5,317,270	1	-	-						
1670	Advances	<u>1,902,783</u>	-	<u>1,326,000</u>	-						
15XX	Fixed assets – net	<u>7,220,053</u>	1	<u>1,326,000</u>	1						
Intangible Assets (note 2, 7 & 16)											
1720	Royalty	<u>269,751,720</u>	37	<u>314,710,344</u>	39						
17XX	Total intangible assets	<u>269,751,720</u>	37	<u>314,710,344</u>	39						
Other assets											
1820	Refundable deposits	<u>825,732</u>	-	<u>253,992</u>	-						
18XX	Total other assets	<u>825,732</u>	-	<u>253,992</u>	-						

The accompanying notes are an integral part of the financial statements

Personnel in charge:

Manager:

Chief Accountant:

TaiMed Biologics Inc.
Balance Sheet
(Foudation Period)
December 31, 2008 and 2007

Unit: NTD

Code	Assets	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 7</u>	<u>%</u>		<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 7</u>	<u>%</u>
		<u>A m o u n t</u>		<u>A m o u n t</u>		<u>Liabilities & Shareholders' Equity</u>	<u>A m o u n t</u>		<u>A m o u n t</u>	
1XXX	Total assets	\$ 733,940,805	100	\$ 801,528,980	100	Total Liabilities & Shareholders' Equity	\$ 733,940,805	100	\$ 801,528,980	100

The accompanying notes are an integral part of the financial statements

Personnel in charge:

Manager:

Chief Accountant:

TaiMed Biologics Inc.
Income Statement
(Foundation Period)
January 1 ~ December 31 2007 and September 5 (founding date) to December 31 2005

Unit: NT\$

Code		January 1 to December 31 2008		September 5 (founding date) to December 31 2007		The accumulated number from September 5 (founding date) to December 31 2008	
		Amount	%	Amount	%	Amount	%
	Revenue						
4240	Interest income	\$ 7,878,523	42	\$ 50,960	6	\$ 7,929,483	40
4300	Gain on disposal of investment (note 2)	1,802	-	-	-	1,802	-
4400	Gain on foreign exchange	10,898,259	58	825,000	94	11,723,259	60
4300	Gain on disposal of investment	1,802	-	-	-	1,802	-
4400	Gain on evaluation of financial assets (note 2)	8,479	-	-	-	8,479	-
4000	Total revenue	<u>18,787,063</u>	<u>100</u>	<u>875,960</u>	<u>100</u>	<u>19,663,023</u>	<u>100</u>
	Expenses and losses						
	Operating expenses						
6300	Research and development costs (note 2, 13, 15 & 16)	(297,881,607)	(1,585)	(30,956,222)	(3,534)	(328,837,829)	(1,672)
6200	SG&A (note 13 & 15)	(25,910,228)	(138)	(4,167,413)	(476)	(30,077,641)	(153)
	Subtotal of operating expenses	(323,791,835)	(1,723)	(35,123,635)	(4,010)	(358,915,470)	(1,825)
6100	Investment loss under equity method	(69,059,322)	(368)	(9,121,241)	(1,049)	(78,251,563)	(398)
6000	Total of expenses of losses	<u>(392,851,157)</u>	<u>(2,091)</u>	<u>(44,315,876)</u>	<u>(5,059)</u>	<u>(437,167,033)</u>	<u>(2,223)</u>
7900	Net loss before taxes	(374,064,094)	(1,991)	(43,439,916)	(4,959)	(407,504,010)	(2,123)
8100	Income tax (note 2 & 11)	-	-	-	-	-	-
9600	Net loss after taxes	<u>(\$ 374,064,094)</u>	<u>(1,991)</u>	<u>(\$ 43,439,916)</u>	<u>(4,959)</u>	<u>(\$ 407,504,010)</u>	<u>(2,123)</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>		
9750	Basic net loss per share (note 12)						
9750	Net loss of this year	<u>(\$ 4.33)</u>	<u>(\$ 4.33)</u>	<u>(\$ 1.30)</u>	<u>(\$ 1.30)</u>		

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Change in Stockholders' Equity
(Founding Period)
January 1 ~ December 31 2008 and September 5 (founding date to December 31 2007)

Unit: NT\$

	Common Shares (note 10)		Accumulated losses during foundation period	Cumulative Translation Adjustment	Total
	shares	Amount			
Capital	\$ 10,000,000	\$ 100,000,000	\$ -	\$ -	\$100,000,000
Cash Increment,	56,000,000	560,000,000			560,000,000
Net Loss from September 5 (founding date) to December 31 2007			(43,439,916)	-	(43,439,916)
Change of translation Adjustment	-	-	-	(212,473)	(212,473)
Balance, December 31, 2007	66,000,000	660,000,000	(43,439,616)	(212,473)	616,347,611
Capital Increment by cash on May 7, 2008, \$10 per share	31,000,000	310,000,000	-	-	310,000,000
Net Loss in 2006	-	-	(374,064,094)	-	(374,064,094)
Change of translation Adjustment	-	-	-	(3,522,778)	(3,522,778)
Balance, December 31, 2006	<u>\$ 97,000,000</u>	<u>\$ 970,000,000</u>	<u>(\$417,504,010)</u>	<u>(\$ 3,735,251)</u>	<u>\$548,760,739</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Cash Flow
(Founding Period)
January 1 ~ December 31 2008 and September 5 (founding date to December 31 2007)

	January 1 to December 31 2008	September 5 (founding date) to December 31 2007	Unit: NT\$ The accumulated number from September 5 (founding date) to December 31 2008
<u>Cash flow from operating activity</u>			
Net loss	\$ (374,064,094)	\$ (43,439,916)	\$ (417,504,010)
Investment loss under equity method	69,059,322	9,192,241	78,251,563
Depreciation	626,246	-	626,246
Amortization	44,958,624	11,239,656	56,198,280
Gain on disposal of investment	(1,802)	-	(1,802)
Gain on evaluation of financial assets through income statement	(8,479)	-	(8,479)
Gain on unrealized foreign exchange over other payables	(9,550,000)	(825,000)	(10,375,000)
Change of assets and liabilities			
Financial assets at fair value through income statement	(12,000,000)	-	(12,000,000)
Accounts receivable	1,412,572	1,412,572	12,407,187
Other receivables	(1,101,569)	(5,096)	(1,106,665)
Prepaid expenses and other current assets	(603,381)	(93,939)	(697,320)
Accrued expenses	12,258,233	20,293,230	32,551,463
Income tax payable	592,071	592,071	(314,747)
Account payable – related parties	(1,332,848)	1,332,848	-
Other current liabilities	<u>(50,688)</u>	<u>79,291</u>	<u>28,603</u>
Net cash outflow from operating activity	<u>(271,810,436)</u>	<u>(2,226,685)</u>	<u>(274,037,121)</u>
<u>Cash flow from investing activity</u>			
Price of purchasing fixed assets	(7,846,299)	-	(7,846,299)
Increase of long-term equity	(49,841,000)	(65,190,000)	(115,031,000)
Increase of technical royalty	-	(162,975,000)	(162,975,000)
Increase of refundable deposit	<u>(571,740)</u>	<u>(253,992)</u>	<u>(825,732)</u>
Net cash outflow from investing activity	<u>(58,259,039)</u>	<u>(228,418,992)</u>	<u>(286,678,031)</u>
<u>Cash flow from financing activity</u>			
Capital		100,000,000	100,000,000
Capital increment by cash	<u>310,000,000</u>	<u>560,000,000</u>	<u>870,000,000</u>
Net cash outflow from financing activity	<u>310,000,000</u>	<u>660,000,000</u>	<u>970,000,000</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Cash Flow
(Founding Period)

January 1 ~ December 31 2008 and September 5 (founding date to December 31 2007)

<u>Cash flow from operating activity</u>	January 1 to December 31 2008	September 5 (founding date) to December 31 2007	Unit: NT\$ The accumulated number from September 5 (founding date) to December 31 2008
Increase (decrease) of cash & cash equivalent	(\$20,069,475)	\$429,354,323	\$409,284,848
Balance of cash in beginning	<u>429,354,323</u>	-	-
Balance of cash at the end	<u>(\$20,069,475)</u>	<u>\$429,354,323</u>	<u>\$409,284,848</u>
Procurement of fixed assets by cash			
Increase of fixed assets	\$ 6,520,299	\$ 1,326,000	\$ 7,846,299
Account payable – related parties	<u>1,326,000</u>	<u>(1,326,000)</u>	-
Balance of cash at the end	<u>\$ 7,846,299</u>	<u>\$ -</u>	<u>\$ 7,846,299</u>
Procurement of technical royalty by cash			
Increase of technical royalty	\$ -	\$ 325,950,000	\$ 325,950,000
Account payable – related parties	-	<u>162,975,000</u>	<u>162,975,000</u>
Balance of cash at the end	<u>\$ -</u>	<u>\$ 162,975,000</u>	<u>\$ 162,975,000</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

Attachment 4

2009
Financial Statements and Independent
Auditor' s Report

Independent Auditor's Report

The Board of Directors and Shareholders
TaiMed Biologics Inc.

We have audited the accompanying balance sheets of TaiMed Biologics Inc. as of December 31, 2009 and 2008 during the foundation period and the related statements of income; changes in stockholder's equity and cash flows for the period from January 1 to December 31, 2009 and 2008 during the foundation period. These financial statements, which were prepared from the accounts maintained at the Company, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing the Audit of Financials Statements by Certified Public Accountants" and auditing standards generally accepted in Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to first paragraph present fairly, in all material respects, the financial position of TaiMed Biologics Inc. as of December 31, 2009 and 2008 and the result of its operations and its cash flows for the foundation period from January 1 to December 31, 2009 and 2008, in conformity with Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards and accounting principles generally accepted in the Republic of China.

We have audited the consolidated financial statements during the foundation periods in 2009 and 2008 prepared by TaiMed Biologics Inc. and issued auditor's report with unqualified opinion for your reference.

Deloitte & Touche
CPA

CPA

January 29, 2010

TaiMed Biologics Inc.
Balance Sheet
(Foudation Period)
December 31, 2009 and 2008

Unit: NT'000

Code	Assets	<u>1 2 / 3 1 / 2 0 0 9</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	Code	Liabilities & Shareholders' Equity	<u>1 2 / 3 1 / 2 0 0 9</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>
		A m o u n t		A m o u n t				A m o u n t		A m o u n t	
Current Assets						Current Liabilities					
1100	Cash (note 3)	\$ 196,660	32	\$ 409,285	56	2170	Accrued expenses (note 9)	\$ 16.318	3	\$ 32.551	4
1310	Financial assets at fair value through income statement (note 2 & 4)	-	2	12,010	2	2210	Other accounts payable (note 17)	-	-	152,600	21
1120	Notes receivable (note 2)	5,735	1	-	-	2298	Other current liabilities	175	-	29	-
1178	Other receivables	1,015	-	1,107	-	21XX	Total current liabilities	<u>16,493</u>	<u>3</u>	<u>185,180</u>	<u>25</u>
1298	Prepaid expenses and other current assets (note 15)	<u>22,215</u>	<u>4</u>	<u>698</u>	<u>-</u>						
11XX	Total current assets	<u>225,625</u>	<u>37</u>	<u>423,100</u>	<u>58</u>	Shareholders' Equity					
Investment						3110 Common shares - \$10 par value, authorized: 220,000 thousand shares for 2009 and 100,000 thousand shares for 2008; issued: 124,060 thousand shares for 2009 and 97,000 thousand shares for 2008					
1421	Long-term Investment using equity method note 2 & 5)	<u>73,498</u>	<u>12</u>	<u>33,044</u>	<u>4</u>	33XX	Accumulated Loss during foundation period	(638,319)	(104)	(417,504)	(57)
14XX	Total long-term investment	<u>73,498</u>	<u>12</u>	<u>33,044</u>	<u>4</u>	Other items of shareholders' equity					
Fixed assets (note 2, 6 & 16)						3420 Accumulated translation adjustment					
1531	Machinery equipment	2,274	-	2,103	-	(4,143)	-	(3,735)	-		
1561	Office equipment	887	-	1,050	-	3XXX Total Other Shareholders' Equity Items					
1611	Lease Betterment	<u>3,590</u>	<u>1</u>	<u>2,790</u>	<u>1</u>	<u>598,138</u>	<u>97</u>	<u>548,761</u>	<u>75</u>		
Total Cost		6,751	1	5,943	1						
15X9	Minus: accumulated depreciation	(1,233)	-	(627)	-						
1670	Advances	<u>-</u>	<u>-</u>	<u>1,903</u>	<u>-</u>						
15XX	Total fixed assets	<u>5,518</u>	<u>1</u>	<u>7,219</u>	<u>1</u>						
Intangible Assets (note 2, 7 & 16)											
1720	Royalty	<u>224,793</u>	<u>36</u>	<u>269,752</u>	<u>37</u>						
17XX	Total intangible assets	<u>224,793</u>	<u>36</u>	<u>269,752</u>	<u>37</u>						
Other assets											

The accompanying notes are an integral part of the financial statements

Personnel in charge:

Manager:

Chief Accountant:

TaiMed Biologics Inc.
Balance Sheet
(Foudation Period)
December 31, 2009 and 2008

Unit: NT'000

Code	Assets	<u>1 2 / 3 1 / 2 0 0 9</u> <u>A m o u n t</u> %	<u>1 2 / 3 1 / 2 0 0 8</u> <u>A m o u n t</u> %	Code	<u>Liabilities & Shareholders' Equity</u>	<u>1 2 / 3 1 / 2 0 0 9</u> <u>A m o u n t</u> %	<u>1 2 / 3 1 / 2 0 0 8</u> <u>A m o u n t</u> %
1820	Refundable deposits	571	-				
1830	Deferred expenses (note 2, 8 & 11)	84,626	14				
18XX	Total other assets	85,197	14				
1XXX	Total assets	<u>\$ 614,631</u>	<u>100</u>		Total Liabilities & Shareholders' Equity	<u>\$ 614,631</u>	<u>100</u>
						<u>\$ 733,941</u>	<u>100</u>

The accompanying notes are an integral part of the financial statements

Personnel in charge:

Manager:

Chief Accountant:

TaiMed Biologics Inc.
Income Statement
(Foundation Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000 except for EPS NT\$

Code		January 1 to December 31 2008		September 5 (founding date) to December 31 2007		The accumulated number from September 5 (founding date) to December 31 2008	
		Amount	%	Amount	%	Amount	%
	Revenue						
4240	Interest income	\$ 1,902	24	\$ 7,879	42	\$ 9,832	37
4300	Gain on disposal of investment (note 2)	29	-	2	-	31	-
4310	Lease income (note 16)	137	2	-	-	137	1
4400	Gain on foreign exchange – net	-	-	10,898	58	10,522	40
4300	Gain on disposal of investment	1,802	-	-	-	1,802	-
4400	Gain on evaluation of financial assets (note 2)	-	-	8	-	-	-
7480	Other income (note 16)	<u>5,759</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>5,759</u>	<u>22</u>
4000	Total revenue	<u>7,827</u>	<u>100</u>	<u>18,787</u>	<u>100</u>	<u>26,281</u>	<u>100</u>
	Expenses and losses						
	Operating expenses						
6300	Research and development costs (note 2, 14, 16 & 17)	(147,054)	(1,879)	(297,882)	(1,585)	(475,893)	(1,811)
6200	SG&A (note 13 & 15)	(14,240)	(182)	(25,910)	(138)	(44,317)	(169)
6100	Investment loss under equity method note 2 & 5)	(69,801)	(764)	(69,059)	(368)	(138,052)	(525)
7640	Loss on evaluation of financial assets – net (note 15)	(4,710)	(60)	-	-	(4,702)	(18)
7560	Loss on foreign exchange – net	(1,201)	(15)	-	-	-	-
7530	Loss on disposal of fixed assets	(1,636)	(21)	-	-	(1,636)	(6)
6000	Total of expenses of losses	<u>(228,642)</u>	<u>(2,921)</u>	<u>(392,851)</u>	<u>(2,091)</u>	<u>(664,600)</u>	<u>(2,529)</u>
7900	Net loss before taxes	(220,815)	(2,821)	(374,064)	(1,991)	(638,319)	(2,429)
8100	Income tax (note 2 & 12)	-	-	-	-	-	-
9600	Net loss after taxes	<u>(\$ 220,815)</u>	<u>(2,821)</u>	<u>(\$ 374,064)</u>	<u>(1,991)</u>	<u>(\$ 638,319)</u>	<u>(2,429)</u>
Code		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>		
9750	Basic net loss per share (note 12)						
9750	Net loss of this year	<u>(\$ 2.20)</u>	<u>(\$ 2.20)</u>	<u>(\$ 4.33)</u>	<u>(\$ 4.33)</u>		

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Change in Stockholders' Equity
(Founding Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000 except for amount of per share

	Common Shares (note 11)		Accumulated losses during foundation period	Cumulative Translation Adjustment	Total
	shares	Amount			
Balance, December 31, 2007	66,000	\$ 660,000	(\$ 43,440)	(\$ 212)	\$ 616,348
Capital Increment by cash on May 7, 2008, \$10 per share	31,000	310,000	-	-	310,000
Net Loss in 2008			(374,064)	-	(374,064)
Change of translation Adjustment	-	-	-	(3,523)	(3,523)
Balance, December 31, 2008	97,000	970,000	(417,501)	(3,735)	548,761
Capital increment by valuation of technical shares					
May 31, 2009, at NT\$10 per share	150	1,500	-	-	1,500
August 31, 2009, at NT\$10 per share	10,000	100,000	-	-	100,000
December 31, 2009, at NT\$10 per share	16,910	169,100	-	-	169,100
Net Loss in 2009	-	-	(220,815)	-	(220,815)
Change of translation Adjustment	-	-	-	(408)	(408)
	<u>\$ 124,060</u>	<u>\$ 1,240,600</u>	<u>(\$638,319)</u>	<u>(\$ 4,143)</u>	<u>\$ 598,138</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Cash Flow
(Founding Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000

<u>Cash flow from operating activity</u>	January 1 to December 31 2009	January 1 to December 31 2008	The accumulated number from September 5 (founding date) to December 31 2009
Net loss	\$ (220,815)	\$ (374,064)	\$ (638,319)
Investment loss under equity method	59,801	69,059	138,053
Depreciation	1,119	627	1,746
Amortization	55,677	44,959	111,875
Technology stock valued by royalty	1,500	-	1,500
Gain on disposal of investment	(29)	(2)	(31)
Gain on evaluation of financial assets through income statement	-	(8)	(8)
Loss on disposal of fixed assets	1,636	-	1,636
Gain on foreign exchange over other payables	-	(9,550)	(10,375)
Change of assets and liabilities			
Financial assets at fair value through income statement	12,039	(12,000)	39
Notes receivable	(5,735)	-	(5,735)
Other receivables	92	(1,102)	(1,015)
Prepaid expenses and other current assets	(361)	(604)	(1,059)
Other current assets	3,432,773	3,432,773	(12,885,300)
Accrued expenses	(16,233)	12,257	16,318
Account payable – related parties	-	(1,332)	-
Other current liabilities	<u>146</u>	<u>(50)</u>	<u>175</u>
Net cash outflow from operating activity	<u>(111,163)</u>	<u>(271,810)</u>	<u>(385,200)</u>
<u>Cash flow from investing activity</u>			
Procurement of fixed assets	(1,096)	(7,846)	(8,942)
Price of disposal of fixed assets	42	-	42
Increase of long-term equity	(100,663)	(49,841)	(215,694)
Increase of technical royalty	-	-	(162,975)
Increase of refundable deposit	<u>255</u>	<u>(572)</u>	<u>(571)</u>
Net cash outflow from investing activity	<u>(101,462)</u>	<u>(58,259)</u>	<u>(388,140)</u>
<u>Cash flow from financing activity</u>			
Capital increment by cash	<u>-</u>	<u>310,000</u>	<u>970,000</u>
Net cash outflow from financing activity	<u>-</u>	<u>310,000</u>	<u>970,000</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Statement of Cash Flow
(Founding Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000

<u>Cash flow from operating activity</u>	January 1 to December 31 2008	September 5 (founding date) to December 31 2007	The accumulated number from September 5 (founding date) to December 31 2008
Increase (decrease) of cash	\$ (212,625)	\$ (20,069)	\$ 196,660
Balance of cash in beginning	<u>409,285</u>	<u>429,354</u>	<u>-</u>
Balance of cash at the end	<u>\$ 196,660</u>	<u>\$ 409,285</u>	<u>\$ 196,660</u>
Investing and financing activities without affection of cash flow			
Issuance of technology shares to obtain intangible assets	<u>\$ 152,600</u>	<u>\$ -</u>	<u>\$ 152,600</u>
Issuance of technology shares to obtain deferred expenses	<u>\$ 116,500</u>	<u>\$ -</u>	<u>\$ 116,500</u>
Procurement of fixed assets by cash			
Increase of fixed assets	\$ 1,096	\$ 6,520	\$ 8,942
Add: Equipment payables at the beginning	-	1,326	-
Deduct: Equipment payables at the end	<u>-</u>	<u>-</u>	<u>-</u>
Balance of cash at the end	<u>\$ 1,096</u>	<u>\$ 7,846</u>	<u>\$ 8,942</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

Attachment 5

**2009 Consolidated Financial Statements and
Independent Auditor' s Report**

Independent Auditor's Report

The Board of Directors and Shareholders
TaiMed Biologics Inc.

We have audited the accompanying consolidated balance sheets of TaiMed Biologics Inc. as of December 31, 2009 and 2008 during the foundation period and the related consolidated statements of income; consolidated changes in stockholder's equity and consolidated cash flows for the period from January 1 to December 31, 2009 and 2008 during the foundation period. These financial statements, which were prepared from the accounts maintained at the Company, are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the "Rules Governing the Audit of Financials Statements by Certified Public Accountants" and auditing standards generally accepted in Republic of China. Those rules and standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of TaiMed Biologics Inc. as of December 31, 2009 and 2008 and the result of its consolidated operations during foundation period and its consolidated cash flows for the period from January 1 to December 31, 2009 and 2008, in conformity with Guidelines Governing the Preparation of Financial Reports by Securities Issuers, Business Accounting Law and Guidelines Governing Business Accounting relevant to financial accounting standards and accounting principles generally accepted in the Republic of China.

Deloitte & Touche
CPA

CPA

January 29, 2010

TaiMed Biologics Inc.
Consolidated Balance Sheet
(Foudation Period)
December 31, 2009 and 2008

Unit: NT'000

Code	Assets	<u>1 2 / 3 1 / 2 0 0 9</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>	Code	Liabilities & Shareholders' Equity	<u>1 2 / 3 1 / 2 0 0 9</u>	<u>%</u>	<u>1 2 / 3 1 / 2 0 0 8</u>	<u>%</u>
		A m o u n t			A m o u n t			A m o u n t			A m o u n t
Current Assets						Current Liabilities					
1100	Cash (note 3)	\$ 270,126	44	\$ 442,655	60	2170	Accrued expenses (note 8)	\$ 18,778	3	\$ 35,810	5
1310	Financial assets at fair value through income statement (note 2 & 4)	-	2	12,010	2	2210	Other accounts payable (note 17)	-	-	152,600	21
1120	Notes receivable (note 2)	5,735	1	-	-	2298	Other current liabilities	303	-	107	-
1178	Other receivables	1,015	-	1,220	-	21XX	Total current liabilities	19,081	3	188,517	26
1291	Pledged time deposit (note 16)	800	-	820	-	2XXX	Total liabilities	<u>19,081</u>	<u>3</u>	<u>188,517</u>	<u>26</u>
1298	Prepaid expenses and other current assets (note 15)	23,100	4	1,471	-						
11XX	Total current assets	<u>300,776</u>	<u>49</u>	<u>458,176</u>	<u>62</u>	Shareholders' Equity					
Investment						3110	Common shares - \$10 par value, authorized: 220,000 thousand shares for 2009 and 100,000 thousand shares for 2008; issued: 124,060 thousand shares for 2009 and 97,000 thousand shares for 2008	1,240,600	202	970,000	132
Fixed assets (note 2, 6 & 15)						33XX	Accumulated Loss during foundation period	(638,319)	(104)	(417,504)	(57)
1531	Machinery equipment	2,274	-	2,103	-	Other items of shareholders' equity					
1561	Office equipment	2,090	-	2,202	-	3420	Accumulated translation adjustment	(4,143)	-	(3,735)	-
1611	Lease Betterment	<u>3,830</u>	<u>1</u>	<u>3,036</u>	<u>1</u>	3XXX	Total Other Shareholders' Equity Items	<u>598,138</u>	<u>97</u>	<u>548,761</u>	<u>75</u>
Total Cost		8,194	1	7,341	1						
15X9	Minus: accumulated depreciation	(2,135)	-	(1,156)	-						
1670	Advances	<u>-</u>	<u>-</u>	<u>1,903</u>	<u>-</u>						
15XX	Total fixed assets	<u>6,059</u>	<u>1</u>	<u>8,088</u>	<u>1</u>						
Intangible Assets (note 2, 7 & 16)											
1720	Royalty	<u>224,793</u>	<u>36</u>	<u>269,752</u>	<u>37</u>						
17XX	Total intangible assets	<u>224,793</u>	<u>36</u>	<u>269,752</u>	<u>37</u>						
Other assets											
1820	Refundable deposits	<u>965</u>	<u>-</u>	<u>1,262</u>	<u>-</u>						
1830	Deferred expenses (note 2, 8 & 11)	<u>84,626</u>	<u>14</u>	<u>-</u>	<u>-</u>						

The accompanying notes are an integral part of the financial statements

Personnel in charge:

Manager:

Chief Accountant:

TaiMed Biologics Inc.
Consolidated Income Statement
(Foundation Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000 except for EPS NT\$

Code		January 1 to December 31 2008		September 5 (founding date) to December 31 2007		The accumulated number from September 5 (founding date) to December 31 2008	
		Amount	%	Amount	%	Amount	%
	Revenue						
4240	Interest income	\$ 1,919	24	\$ 7,890	42	\$ 9,859	37
4300	Gain on disposal of investment (note 2)	29	-	2	-	31	-
4310	Lease income (note 15)	137	2	-	-	137	1
4400	Gain on foreign exchange – net	-	-	10,898	58	10,522	40
4400	Gain on evaluation of financial assets (note 2)	-	-	8	-	-	-
7480	Other income (note 15)	<u>5,794</u>	<u>74</u>	<u>-</u>	<u>-</u>	<u>5,794</u>	<u>22</u>
4000	Total revenue	<u>7,879</u>	<u>100</u>	<u>18,798</u>	<u>100</u>	<u>26,343</u>	<u>100</u>
	Expenses and losses						
	Operating expenses						
6300	Research and development costs (note 2, 14, 15 & 17)	(206,907)	(2,626)	(366,952)	(1,952)	(614,007)	(2,331)
6200	SG&A (note 13 & 15)	(14,240)	(181)	(25,910)	(138)	(44,317)	(168)
7640	Loss on evaluation of financial assets – net (note 14)	(4,710)	(60)	-	-	(4,702)	(18)
7560	Loss on foreign exchange – net	(1,201)	(15)	-	-	-	-
7530	Loss on disposal of fixed assets	(1,636)	(21)	-	-	(1,636)	(6)
6000	Total of expenses of losses	<u>(228,694)</u>	<u>(2,903)</u>	<u>(392,862)</u>	<u>(2,090)</u>	<u>(664,662)</u>	<u>(2,523)</u>
7900	Net loss before taxes	(220,815)	(2,803)	(374,064)	(1,990)	(638,319)	(2,423)
8100	Income tax (note 2 & 11)	-	-	-	-	-	-
9600	Net loss after taxes	<u>(\$ 220,815)</u>	<u>(2,821)</u>	<u>(\$ 374,064)</u>	<u>(1,991)</u>	<u>(\$ 638,319)</u>	<u>(2,429)</u>
		<u>Before Tax</u>	<u>After Tax</u>	<u>Before Tax</u>	<u>After Tax</u>		
9750	Basic net loss per share (note 12)						
9750	Net loss of this year	<u>(\$ 2.20)</u>	<u>(\$ 2.20)</u>	<u>(\$ 4.33)</u>	<u>(\$ 4.33)</u>		

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
 Consolidated Statement of Change in Stockholders' Equity
 (Founding Period)
 January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000 except for amount of per share

	Common Shares (note 11)		Accumulated losses during foundation period	Cumulative Translation Adjustment	Total
	shares	Amount			
Balance, December 31, 2008	66,000	\$ 660,000	(\$ 43,440)	(\$ 212)	\$ 616,348
Capital Increment by cash on May 7, 2008, \$10 per share	31,000	310,000	-	-	310,000
Net Loss in 2008			(374,064)	-	(374,064)
Change of translation Adjustment	-	-	-	(3,523)	(3,523)
Balance, December 31, 2008	97,000	970,000	(417,501)	(3,735)	548,761
Capital increment by valuation of technical shares					
May 31, 2009, at NT\$10 per share	150	1,500	-	-	1,500
August 31, 2009, at NT\$10 per share	10,000	100,000	-	-	100,000
December 31, 2009, at NT\$10 per share	16,910	169,100	-	-	169,100
Net Loss in 2009	-	-	(220,815)	-	(220,815)
Change of translation Adjustment	-	-	-	(408)	(408)
	<u>\$ 124,060</u>	<u>\$ 1,240,600</u>	<u>(\$638,319)</u>	<u>(\$ 4,143)</u>	<u>\$ 598,138</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
Consolidated Statement of Cash Flow
(Founding Period)
January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000

<u>Cash flow from operating activity</u>	January 1 to December 31 2009	January 1 to December 31 2008	The accumulated number from September 5 (founding date) to December 31 2009
Net loss	\$ (220,815)	\$ (374,064)	\$ (638,319)
Depreciation	1,518	1,116	2,650
Amortization	55,677	44,959	111,875
Technology stock valued by royalty	1,500	-	1,500
Gain on disposal of investment	(29)	(2)	(31)
Gain on evaluation of financial assets through income statement	-	(8)	(8)
Loss on disposal of fixed assets	1,636	-	1,636
Gain on foreign exchange over other payables	-	(9,550)	(10,375)
Change of assets and liabilities			
Financial assets at fair value through income statement	12,039	(12,000)	39
Notes receivable	(5,735)	-	(5,735)
Other receivables	205	(1,102)	(1,015)
Pledged time deposit	-	(820)	(820)
Prepaid expenses and other current assets	(473)	(969)	(1,944)
Other current assets	3,432,773	3,432,773	(12,885,300)
Accrued expenses	(17,032)	11,259	17,032
Account payable – related parties	-	(1,332)	-
Other current liabilities	<u>196</u>	<u>12</u>	<u>196</u>
Net cash outflow from operating activity	<u>(171,313)</u>	<u>(342,501)</u>	<u>(523,319)</u>
<u>Cash flow from investing activity</u>			
Procurement of fixed assets	(1,178)	(8,637)	(10,382)
Price of disposal of fixed assets	42	-	42
Increase of technical royalty	-	-	(162,975)
Increase of refundable deposit	<u>297</u>	<u>(1,008)</u>	<u>(965)</u>
Net cash outflow from investing activity	<u>(839)</u>	<u>(9,645)</u>	<u>(174,280)</u>
<u>Cash flow from financing activity</u>			
Capital increment by cash	<u>-</u>	<u>310,000</u>	<u>970,000</u>
Influence of foreign exchange	<u>(377)</u>	<u>(3,546)</u>	<u>(2,275)</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

TaiMed Biologics Inc.
 Consolidated Statement of Cash Flow
 (Founding Period)
 January 1 ~ December 31, 2009 and 2008

Unit: NT\$'000

<u>Cash flow from operating activity</u>	January 1 to December 31 2008	September 5 (founding date) to December 31 2007	The accumulated number from September 5 (founding date) to December 31 2008
Increase (decrease) of cash	\$ (172,529)	\$ (45,692)	\$ 270,126
Balance of cash in beginning	<u>442,655</u>	<u>488,347</u>	<u>-</u>
Balance of cash at the end	<u>\$ 270,126</u>	<u>\$ 442,655</u>	<u>\$ 270,126</u>
Investing and financing activities without affection of cash flow			
Issuance of technology shares to obtain intangible assets	<u>\$ 152,600</u>	<u>\$ -</u>	<u>\$ 152,600</u>
Issuance of technology shares to obtain deferred expenses	<u>\$ 116,500</u>	<u>\$ -</u>	<u>\$ 116,500</u>
Procurement of fixed assets by cash			
Increase of fixed assets	\$ 1,178	\$ 7,311	\$ 10,382
Add: Equipment payables at the beginning	<u>-</u>	<u>1,326</u>	<u>-</u>
Balance of cash at the end	<u>\$ 1,178</u>	<u>\$ 8,637</u>	<u>\$ 10,382</u>

The accompanying notes are an integral part of the financial statements.

Personnel in charge:

Manage:

Chief Account:

Appendix 1

TaiMed Biologics Inc. Articles of Incorporation

Chapter 1 General Provisions

Article 1: The Corporation shall be incorporated under the Company Law of Republic of China, and its name shall be “TaiMed Biologics Inc.”

Article 2: The scope of business of the corporation shall be as follows:

1. IG01010 Biotechnology Services
2. F401010 International Trade
3. C802080 Pesticides Manufacturing
4. F208050 Retail Sale of the Second Type Patent Medicine
5. C199990 Other Food Manufacturing Not Elsewhere Classified
6. IC01010 Pharmaceuticals Examining Services
7. F107080 Wholesale of Environment Medicines
8. F207080 Retail Sale of Environment Medicine
9. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
10. F60101 0Intellectual Property
11. IG02010 Research Development Service

Article 3: The Corporation may proceed reinvestment as necessary for business and become a shareholder with limited liabilities of other company by resolution of Board of Directors. The total investment amount shall not be subject to regulations regarding reinvestment set forth in Article 13 of Company Law.

Article 4: The Corporation may provide endorsement and guarantee to external as necessary for business.

Article 5: The Corporation shall have its head office in Taipei City. The board of Directors may decide to set up representative and branch offices at various locations within and without the territory of the Republic of China as necessary.

Article 6: Public announcement of the Corporation shall be made in accordance with

the Article 28 of Company Law.

Chapter 2 Shares

Article 7: The total registered capital stock of the Corporation shall be in the amount of 2,600,000,000 New Taiwan Dollars, divided into 260,000,000 shares, at ten New Taiwan Dollars each and the Board of Directors is authorized to issue in installments.

Among the capital set forth in paragraph 1, NT\$206,000,000 dollars, divided into 20,600,000 shares, at ten New Taiwan Dollars each , shall be reserved for employee stock options.

Article 7-1: After public offering, the price of employee stock option issued shall not be subject to related regulations. However, it shall be adopted by the concurrence of two-third of the votes in a meeting attended by shareholders representing over one half of the total issued stock of the Corporation. The stock options may be managed several times within one year from date of resolution.

Article 7-2: After public offering, the Corporation shall not transfer the buyback stocks in accordance with related regulations and adopted by concurrence of two-third of the votes in a meeting attended by shareholders representing over one half of the total issued stock of the Corporation for intention to transfer these stocks to employees in price lower than average buyback price.

Article 8: The share certificates of the Corporation shall be name-bearing with company seal affixed and at least three directors signed or sealed, and shall be issued after authentication by competent authority or approved share registration institutes. The Corporate may be exempted from printing share certificates after public offering.

Article 9: the registration of transfer of share certificates shall be managed in accordance with Article 16 of Company Law.

Chapter 3 Shareholders' Meeting

Article 10: Shareholders' meetings of the Corporation are of two types; regular meetings:

shall be convened and hold at least once a year with notice given to shareholders. The special meeting of shareholders shall be convened pursuant to laws as necessary.

Article 10-1: The Chairman of the Board of Directors shall preside over the shareholders' meetings. In his absence or in case that he is unable to exercise rights for causes, the Vice Chairman of the Board of Directors shall be acting for him, if applicable. If there is no Vice Chairman or in his absence or in case that he is unable to exercise rights for causes, the Chairman of the Board of Directors shall designate one to act on behalf of him/her. If the Chairman of the Board of Directors does not designate any proxy to preside over the Meeting on his/her behalf, the Directors shall elect one from among themselves as the Chairman. When parties other than Board of Directors entitled to convene a shareholders' meeting convene the shareholder's meeting, said party shall be the Chairman. Where there are two and more parties entitled to convene a shareholders' meeting, the parties shall elect from among themselves a Chairman.

Article 10-2: The cancellation of public offering shall not be invalid until there is resolution passed by shareholders' meeting. °

Article 11: If a shareholder is unable to attend a meeting, he/she may sign and show the proxy with distinct extent of authorization issued by the Corporation and appoint a representative to attend it in accordance with article 177 of Company Law.

Article 12: Each share of stock owned by shareholders shall be entitled for one vote, except for shares with restriction or without voting rights as set forth in Article 179 of Company Law.

Article 13: Except otherwise provided in the Company Law of the Republic of China, the resolutions of shareholders' shall be adopted by the concurrence of a majority of the votes in a meeting attended by shareholders representing over one half of the total issued stock of the Corporation.

Article 14: If there is only government or one corporate shareholder of the Corporation, the Board of Directors shall exercise the rights of shareholders' meeting and articles regarding shareholders' meeting herein shall not be applicable.

Chapter 4 Directors and Supervisor

Article 15: The Corporation shall have five (5) to nine (9) Directors and two (2) to three (3) Supervisors with tenure of office three years, to be selected at the Shareholders' Meeting from people with capabilities. They shall be eligible for re-election. After public offering, the shareholding ratio of all Directors and Supervisors shall comply with regulations of competent authorities authority. The Corporation may purchase liabilities insurance for Directors and Supervisors to the extent of business execution during the term of office.

Article 16: The Board of Directors shall be organized by Directors. The Directors shall elect from among themselves a Chairman and by a majority in a meeting attended by over two-thirds of the Directors. The Chairman of the Board of Directors shall have the authority to represent the Corporation.

Article 16-1: To cooperate with regulations set forth in paragraph 2 of Article 14 and Article 183 of Securities Exchange Act, the Corporate may have at least two independent Directors and at least one fifth of total Directors. The independent Directors of the Corporation shall be elected by the shareholders of the Corporation from among the nominees listed in the roster of the independent Director candidates of the Corporation by adopting the candidate nomination system. The qualification, shareholding and part-time job restriction, independence and method of nomination and election of independent Directors shall be conducted in accordance with the related regulations. The election of Directors and Supervisors of the Corporation shall adopt single-named cumulative ballot method.

Article 17: In case that the Chairman is absence or is unable to exercise rights for causes, the proxy shall comply with regulations set forth in Article 208 of Company law. Directors may participate the meeting of Board of Directors by mean of videoconference. A director so participating shall be deemed to be present in person.

Article 18: The Directors and Supervisors of the Corporation may receive compensation monthly. The Board of Directors is authorized to determine the compensation for Directors and Supervisors, taking into account the extent and value of the

services provided for the management of the Corporation and the standards of the industry. Where there is earning of the Corporation, the compensation may be distributed in accordance with Article 22 of the Articles of Incorporation.

Article 19: If a Director is unable to attend board meeting, he/she may sign and show the proxy issued with distinctive extent of authority and appoint a representative to attend the meeting and exercise voting right for all items on behalf. However, the proxy referred to herein shall only act for one (1) Director of the Board of the Corporation.

Chapter 5 Managers

Article 20: The Corporation may have certain number of managers. Their employment, discharges and compensation shall be managed in accordance with Article 29 of Company Laws.

Chapter 6 Accounting

Article 21: The Board of Directors of the Corporation shall prepare business report, financial statements and proposal regarding earning or loss appropriation after end of each fiscal year and submit them to shareholders' meeting for approval.

Article 22: Where there is profit of annual final account, except for rendering all taxes, when allocating the net profits for each fiscal year, the Corporation shall first offset its losses in previous years and set aside 10% legal capital reserve and special earning reserve or reverse pursuant to laws. The Board of Directors shall prepare the proposal for distribution of remaining amount and accumulative unappropriated earning in previous years in following ratios after reserve as necessary for operation and submit to shareholders' meeting for approval.

1. The compensation for Directors and Supervisors shall be less than 2%
2. The bonus to employees shall be at least 1%
3. Shareholders' bonus

The employees eligible for preceding stock dividend are applicable to employees of subsidiaries satisfying certain conditions. The Board of Directors is authorized to decide the conditions.

Article 22-1: The Board of Directors shall determine the dividend policy in line with its operational plan, investment plan, capital budget and internal and external environments and submit to shareholders' meeting for resolution of distribution.

In consideration that businesses of the Corporation are growing, the earning of the Corporation shall be distributed upon - cash dividend shall be less than 50%, however, it may be adjusted depending on cash flow, earning conditions, future expansion requirements of the Corporation.

Article 23: In regard to all matters not provided for in these Articles of Incorporation, the Company Law of the Republic of China shall govern.

Article 24: These Articles of Incorporation was established on September 3, 2007

The first Amendment was on May 16, 2008

The second Amendment on April 28, 2009

The third Amendment on June 17, 2009

The fourth Amendment on December 11, 2009

TaiMed Biologics Inc.

Chairman: Kung-Ming Lu

Appendix 2

TaiMed Biologics In.

Procedures and Rules of Shareholders Meeting

1. Purpose:

For the purposes of establishing a good governance system for a shareholders' meeting (the "Meeting"), strengthening the supervision function and enhancing management mechanism, the Company hereby promulgates the Procedures in accordance with the article 5 of "Corporate Governance Best-Practice Principles for TSEC/OTC Listed Companies".

2. Scope:

All Shareholders' meetings of the Company shall be conducted in compliance with the Procedures.

3. Operational procedures:

Article 1 Unless otherwise provided in laws, regulations or the Articles of Incorporation of the Company, a Meeting of the Company shall be conducted in compliance with the Procedures.

Article 2 Unless otherwise prescribed by the laws or regulations, a Meeting of the Company shall be convened by the Board of the Directors of the Company.

To convene a Meeting, a Meeting agenda shall be prepared. A notice to convene a regular Meeting shall be given to each shareholder no later than thirty (30) days prior to the scheduled Meeting date; while a public notice may be given to the registered stock shareholders whose shareholding is less than one thousand shares no later than thirty (30) days prior to the scheduled meeting date by a public announcement on the Market Observation Post System of the Taiwan Stock Exchange Corp. ("TSE"). A notice to convene a special Meeting shall be sent to each shareholders no later than fifteen (15) days prior to the scheduled Meeting date; while a public notice may be given to the registered stock shareholders whose shareholding is less than one thousand shares no later than fifteen (15) days prior to the scheduled meeting date by a public announcement on the Market Observation Post System of the TSE.

Causes and subjects of a Meeting to be convened shall be explicitly described in the notice and public announcement. The notice may be made in electronic form upon the consent of the counter party. Matters regarding re-election or discharge of directors and supervisors, amendments to the AOI, and dissolution, merger, splitting

of the Company, or any matters stipulated in Paragraph 1 of Article 185 of the R.O.C. Company Law, Articles 26-1 and 43-6 of the Securities and Exchange Law shall be itemized by causes and subjects in the notice of convening a Meeting, rather than being brought up by special motions.

Shareholder(s) who has (have) held more than one percent (1%) of the total amount of the issued and outstanding shares of the Company may make a written motion for a regular Meeting to the Company. However, each of such shareholders can only make one (1) motion. Otherwise, all of his/her motions shall not be included in the agenda. In the event that any motion made by a shareholder falls under one of the situations set forth in Paragraph 4 of Article 172-1 of the R.O.C. Company Law, the Board of Directors of the Company may not list such motion in the agenda.

The Company shall, before the date on which transfer of shares is suspended for the regular Meeting, make a public announcement regarding the period and places for shareholders to make motions. This period shall not be less than ten (10) days.

A shareholder's motion shall be limited to three hundred (300) words. A motion with a text length that exceeds three hundred (300) words shall not be included in the agenda. The shareholder who makes a motion shall attend the regular Meeting in person or by his/her proxy to participate in the discussion of the motion made by him/her.

The Company shall, before the notification date of the regular Meeting, notify the proposing shareholders whether the motions such shareholders make are able to be included in the agenda and list the motions which have complied with this Article in the meeting notice. The Board of Directors shall explain the reasons for those rejected motions in the regular Meeting.

Article 3 A shareholder may appoint a proxy on his/her behalf to attend the Meeting by executing a power of attorney printed by the Company stating therein the scope of the authority authorized to the proxy.

Each shareholder may only execute one (1) power of attorney and appoint one (1) proxy only, and shall serve the written proxy to the Company no later than five (5) days prior to the meeting date of the Meeting. In case two (2) or more written proxies are received by the Company from one shareholder, the first one received by this Company shall prevail, unless an explicit statement to supersede the previous written proxy is made in the proxy which comes later.

After the written proxy is being served to the Company, if the shareholder would like to attend the Meeting in person, the shareholder shall notify the Company in writing no later than one (1) day prior to the meeting date of a Meeting to revoke his/her proxy. If the shareholder fails to revoke his/her proxy on time, the voting right exercised by the proxy shall prevail.

Article 4 The place for convening the Meeting shall be the location of the Company, or any other appropriate place that is convenient for the shareholders to attend, and

suitable for holding the Meeting. The time to start the Meeting shall not be earlier than 9 a.m. or later than 3 p.m. and the opinion of independent Directors shall be fully considered.

Article 5 The Company shall prepare sign in book available for shareholders who attend the Meeting in person or by his/her proxy (hereinafter the shareholder), or a shareholder present shall submit the attendance card to substitute signing in.

The Company shall deliver the Meeting agenda, annual report, attendance certificate, speaker's slips, ballots and other Meeting related documents to shareholders who attend a Meeting. Election ballots shall be delivered as well in case that Director(s) and/or Supervisor(s) will be elected in that Meeting.

A shareholder shall attend a Meeting upon the attendance certificate, attendance card, or other certificates of attendance. If the one who attends the Meeting is a solicitor of solicited proxies, the solicitor shall bring personal identification for verification.

Government or a legal entity, as a shareholder, may designate one (1) or more representatives to attend the Meeting. A legal entity that is appointed as a proxy to attend the Meeting can only assign one (1) representative to attend the Meeting.

Article 6 If the Meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall be the chairman presiding over the Meeting. In case that the Chairman of the Board of Directors is on leave, or cannot execute his or her authority of office for any reason, the Vice Chairman of the Board of Directors shall preside over the Meeting. If there is no Vice Chairman of the Board of Directors, or the Vice Chairman of the Board of Directors is also on leave, or cannot execute his or her authority of office for any reason, the Chairman of the Board of Directors shall designate one of the Managing Directors to act on behalf of him/her; if there is no Managing Director, the Chairman of the Board of Directors shall designate one of the Directors to preside over the Meeting. If the Chairman of the Board of Directors does not designate any proxy to preside over the Meeting on his/her behalf, the Managing Directors or Directors of the Board shall elect one from among themselves to preside over the Meeting.

Majority of the Board of Directors ought to attend the Meeting if such Meeting is convened by the Board of Directors. If the Meeting is convened by any other person entitled to convene the Meeting other than by the Board of Directors, such person shall preside over the Meeting. If there are two (2) or more persons entitled to convene the Meeting, they shall elect one from among themselves to preside over the Meeting.

The Company may designate its lawyers, certified public accounts or relevant persons to attend the Meeting.

Article 7 The whole proceedings of the Meeting shall be taperecorded or videotaped, and those tapes shall be preserved for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the R.O.C. Company Law, such tapes shall be kept until the conclusion of such litigation.

Article 8 The calculation of the attendance of the Meeting shall be based on the shares represented. The number of shares represented by shareholders present in the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders present plus the voting rights exercised in writing or by electronic method.

The chairman shall call the Meeting to order at the time scheduled for the Meeting. If the number of shares represented by the shareholders present at the Meeting has not yet reached more than fifty percent (50%) of the total amount of the issued and outstanding shares of the Company, the chairman may postpone the time of the Meeting. The postponements shall be limited to two (2) times at most. The chairman shall abort the convention of the Meeting if the shares of the shareholders present at the Meeting are less than one third (1/3) of the total issued and outstanding shares after the Meeting being postponed by two (2) times.

If after two postponements the number of shares represented by the shareholders present at the Meeting still can not constitute the quorum for the Meeting, but the shares of the shareholders present at the Meeting represents one-third (1/3) of the total issued and outstanding shares or more, a tentative resolution may be adopted in accordance with Paragraph 1 of Article 175 of the R.O.C. Company Law, and sent to all shareholders to convene the Meeting again within one (1) month.

Before the adjournment of the Meeting if the number of shares represented by the shareholders present at the Meeting reaches more than fifty percent (50%) of the total amount of the issued and outstanding shares, the chairman may submit the adopted tentative resolution(s) to the Meeting for approval in accordance with Article 174 of the R.O.C. Company Law.

Article 9 If the Meeting is convened by the Board of Directors, the agenda of the Meeting shall be set by the Board of Directors. The Meeting shall proceed in accordance with the agenda, unless otherwise resolved by the Meeting.

The preceding paragraph shall apply mutatis mutandis to cases where the Meeting is convened by a person, other than the Board of Directors, entitled to convene such Meeting.

Unless otherwise resolved by the Meeting, the chairman shall not adjourn the Meeting before all of discussion items (including special motions) in the agenda of the Meeting have been resolved. In case that the chairman violates the Procedures and announces the adjournment of the Meeting, other members of the Board of Directors shall promptly assist the shareholders present at the Meeting, pursuant to

the laws and regulations, to elect one person among themselves by a majority of at least fifty percent (50%) or more votes represented by the shareholders present at the Meeting to act as the chairman to preside over the Meeting and continue the Meeting.

The chairman shall provide opportunities to the shareholders for their sufficient explanation and discussion on the discussion items in the agenda of the Meeting, the amendment to the discussion items and special motions made by shareholders. The Chairman may announce to end the discussion of the aforesaid matters and submit them to be resolved when the chairman deems appropriate.

Article 10 A shareholder who intends to speak in the Meeting shall first fill out a speech note, specifying therein the summary of the speech, the shareholder's number (or the number of his/her attendance certificate) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

A shareholder who only submits his/her speech note for a speech but does not actually speak in the Meeting shall be considered as not having given such a speech. If the contents of the speech of the shareholder are different from the contents of the speech note, the contents of actual speech shall prevail.

Unless otherwise permitted by the chairman, each shareholder shall not speak more than two times for each discussion item. Each speech shall not take more than 5 minutes. In case the speech of any shareholder violates the aforesaid provisions or exceeds the scope of the discussion item, the chairman may stop the speech of such shareholder.

When a shareholder is giving a speech, the other shareholders shall not interrupt the speech of the shareholder unless they have obtained the consent from the chairman and the said shareholder. For any such violations, the chairman shall stop the interruption immediately.

If a legal entity shareholder who designates two (2) or more representatives to represent it at the Meeting, only one of the representatives so designated can speak for each discussion item.

After the speech of a shareholder, the chairman may respond by himself/herself or appoint an appropriate person to respond.

Article 11 A resolution of a Meeting shall be calculated by the numbers of shares.

The shares shall not be counted where there is conflict of interest regarding resolution of shareholders' meeting that may damage benefit of the Company and shall not act for other shareholders on voting.

Shares held by a shareholder without voting right shall not be counted in the numbers of the total issued and outstanding shares while adopting a resolution at a Meeting.

In the event the same proxy acts for two or more shareholders, his delegated

voting power shall not exceed three percent (3%) of the total voting power of issued shares. This limitation shall not apply to holders of proxies engaged in the trust business or a stock agency approved by the competent securities authority.

Article 12 Shareholders of the Company shall be entitled to one vote for each share they hold, except for the limited shares or the shares without voting rights as set forth under Paragraph 2 of Article 179 of the R.O.C. Company Law.

Shareholders of the Company may exercise their voting rights in writing or by electronic method. The way how to exercise voting rights in writing or by electronic method shall be described in the Meeting notice. Shareholders who exercise their voting rights in writing or by electronic method shall be deemed as attending the meeting in person provided however that their voting rights to the special motions and amendments to the discussion items at the Meeting shall be deemed to be abandoned.

The shareholder who intends to exercise his/her voting rights in writing or by electronic method as stated in the preceding paragraph shall serve the Company his/her voting rights exercising result in writing no later than five (5) days prior to the Meeting. If two or more Voting Exercising are received by the Company from one shareholder, the first one received by the Company shall prevail, unless the later one is sent to revoke the previous one.

The shareholder who has exercised his/her voting rights in writing or by electronic method and thereafter wants to attend the Meeting in person shall revoke his/her Voting Exercising via the same method he/she took previously to serve his/her Voting Exercising to the Company by at least one (1) day before the Meeting. In case the shareholder fails to revoke his/her Voting Exercising on time, the Voting Exercising shall prevail. If a shareholder has exercised his/her voting right in writing or by electronic method but also appoints a proxy by power of attorney to attend the Meeting, the voting rights exercised by the proxy shall prevail.

Unless specified otherwise in the R.O.C. Company Law or the AOI of the Company, a resolution of the Meeting shall be adopted by majority of votes represented by the shareholders present at the Meeting. In the proceedings of voting, the chairman or the person designated by the chairman shall announce the total voting shares of the shareholders present at the Meeting by each discussion item.

The resolution shall be deemed adopted and shall have the same effect as if it was voted by casting ballots if no objection is voiced after the solicitation by the chairman. In case of objection, the discussion item shall be voted in accordance with the preceding paragraph. Except for the discussion items listed in the agenda of the Meeting, other motions or amendments or alternatives of the discussion items made by a shareholder at the Meeting shall be seconded by other shareholders. If there is an amendment or alternative for a discussion item, the

chairman may combine the amendment or alternative into the original discussion item, and determine the sequence of voting for such discussion item. If any one of the above has been resolved, the others shall be deemed vetoed and no further voting is necessary.

The person(s) to supervise and the person(s) to record the ballots during a vote by casting ballots shall be designated by the chairman. However the persons supervising the recording of the ballots shall be shareholders of the Company. The ballots recording shall be conducted publicly in the venue of the Meeting. The result of voting shall be announced at the Meeting, and recorded in the meeting minutes.

Article 13 Election of Directors and/or Supervisors shall be conducted according to the relevant election rules of the Company. Election results shall be announced extemporarily at the Meeting.

The ballots for the elections set forth in the preceding paragraph shall be sealed and signed by the persons supervising the recording of the ballots and properly kept for at least one (1) year. However, if a shareholder files a lawsuit pursuant to Article 189 of the R.O.C. Company Law, such ballots shall be kept until the conclusion of such litigation.

Article 14 Resolutions adopted at the Meeting shall be recorded in the meeting minutes, which shall be signed or sealed by the chairman of the Meeting and shall be distributed to all shareholders of the Company within twenty (20) days after the close of the Meeting. Preparation and distribution of the meeting minutes may be made by electronic form and method.

This Company may issue a public announcement on the Market Observation Post System to distribute the aforesaid meeting minutes to shareholders holding the registered share certificates in a number less than one thousand (1,000) shares.

Information including the time (year, month and date) and place of the Meeting, name of the chairman, the manner in which resolutions had been adopted, as well as the summary of the essentials of the proceedings and result of the Meeting shall be clearly stated in the meeting minutes. The Company shall keep the meeting minutes persistently during the existence of the Company.

If the resolution of the Meeting has been adopted in the manner that no objection is voiced by all shareholders present at the Meeting after the solicitation by the chairman, the meeting minutes shall describe that "Upon solicitation of comments by the Chairman, there was no objection addressed and the following resolution was adopted unanimously by the shareholders present." However, if there is any objection brought up by the shareholders present at the Meeting, the resolution has been adopted by casting ballots and its voting rights adopted as well as voting ratio shall be explicitly described and stated in the meeting minutes.

Article 15 The Company shall prepare a statistical statement in accordance with the prescribed format and explicitly disclose the number of the shares solicited by the solicitors and the number of the shares of the proxies in the venue of a Meeting on the date of the Meeting.

The Company shall make public announcements regarding the content of the Meeting resolutions on the Market Observation Post System within the required time limit if such resolutions are qualified as the material events as set forth in the laws and regulations or regulated by the Taiwan Stock Exchange Corporation (Gre Tai Securities Market , GTSM).

Article 16 Persons handling the business of the Meeting shall wear an identification card or a badge.

The chairman may engage disciplinary officers or security personnel to assist to keep the order of the Meeting. Such disciplinary officers or security personnel shall wear a badge or identification card marked "Disciplinary Officers".

The chairman may stop the speech of a shareholder if such shareholder makes the speech by a megaphone not provided by the Company at the Meeting.

The chairman may request disciplinary officers or security personnel to have the shareholder leave the Meeting if such shareholder violates the Procedures and disobeys the correction order of the chairman, or interrupts the proceedings of the Meeting after being requested to stop by the chairman.

Article 17 During the Meeting, the chairman may set time for intermission at his/her discretion. In the event of any force majeure, the chairman may adorn the Meeting temporarily and announce reopening time subject to the actual situation.

If a Meeting cannot be finished with the agenda (including special motions) while the arranged venue of the Meeting can no longer be used, a resolution to find another place to continue the Meeting may be adopted.

A resolution may be adopted to postpone or continue the Meeting within five (5) days according to Article 182 of the R.O.C. Company Law.

Article 18 The Procedures shall become effective from the date it is approved by the Meeting. The same applies in case of revision.

Article 19 The Procedures was established on June 17, 2009.

Appendix 3

TaiMed Biologics Inc.

Rules Governing the Election of Directors and Supervisors

1. Purpose:

The rules are duly enacted in accordance with “article 21 and 41 of “Corporate Governance Best-Practice Principles for TSEC/OTC Listed Companies” in an effort to incorporate a fair, just and open procedure for the election of directors and supervisors.

2. Scope:

The election of the Company’s directors and supervisors shall be conducted in accordance with these rules.

3. Operational Procedures:

Article 20 The election, re-election and by-election, unless otherwise provided in the applicable laws, regulations or the Articles of Incorporation, shall be conducted in accordance with these rules.

Article 21 The independent directors of the Company shall satisfy article 2, 3 and 4 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”. The selection of independent directors of the Company shall satisfy article 5, 6, 7, 8, and 9 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and article 24 of “Corporate Governance Best-Practice Principles for TSEC/OTC Listed Companies”.

Article 22 The election of directors and supervisors of the Company shall comply with candidate nomination procedures specified in paragraph 1 of article 192 of Company Law.

Article 23 In the election of directors and supervisors of the Company, the names of voters may be represented by number of attendance certificate printed on ballot.

Article 24 The Company’s directors and supervisors shall be elected by means of single-name cumulative ballots method. Each share is entitled to have votes equivalent to the number of directors and supervisors to be elected, and the number of votes may be used to elect on candidate or be allocated among several

candidates.

Article 25 According to the seats regulated in the Articles of Incorporation, the voting rights for independent directors or non independent directors shall be counted separately. In the election of directors and supervisors, the candidates who acquired more votes should win the seats; and, if two or more persons receive the same number of votes, resulting in total number of persons to be elected exceeds the number specified in the Company's Articles of Incorporation, those persons who have received the same number of votes shall draw straws to decide who is elected. If any person who has received the same number of votes as others, but is absent at the meeting, the chairman shall draw the straw on the absent person's behalf.

If the candidate who has been elected as director and supervisor at the same time, the candidate shall decide what position that he/she intends to be, the absent position shall be fulfilled by the candidate who acquired the second highest votes in the same election.

Article 26 The Board of Directors shall prepare the election ballots which equal to the number of directors and supervisors to be elected with the number of voting rights. The ballots shall be given to the shareholders present at the shareholders' meeting.

Article 27 Before beginning of the election, the chairman shall designate a certain number of persons who are also shareholders to check, count ballots and perform relevant duties.

Article 28 The Board of Directors shall prepare the ballot box used for voting and the person assigned to check the ballots in public before voting.

Article 29 If the candidate is a shareholder of the Company, elector shall fill in the "candidate" column the candidate's name and shareholder's number on each ballot. If the candidate is not a shareholder of the Company, elector shall fill in the candidate's name and ID number. If the candidate is a government agency or a legal entity, the full name of the government agency or the legal entity or the name of representative should be filled in the column. If there is more than one representative, the full names of the representatives should be filled in separately.

Article 30 A ballot shall be construed as null and void under the following conditions:

- i. The elector fails to use the ballot prepared by the board of directors.

- ii. Blank ballots not completed by the voter
- iii. The writing is unclear and illegible
- iv. If the candidate is a shareholder of the Company, the name or shareholder's number of candidate filled in the ballot is inconsistent with the stock ledger. If the candidate is not a shareholder of the Company, the name and ID number of the candidate filled in the ballot is incorrect.
- v. Ballots with other written characters in addition to candidate's name, shareholder's number (ID number) and the number of votes cast for the candidate.
- vi. The name of the candidates filled in the ballots being the same as another candidate's name and the respective shareholder's number (ID numbers) not being indicated to distinguish them.

Article 31 The ballot boxes for director and supervisor election shall be separated and the persons assigned to check and count the ballots shall open the box at the same time after voting.

Article 32 No supervisor shall be elected otherwise if there is audit committee established in the Company.

Article 33 The ballots should be calculated during the meeting right after the voting and the list of new directors and supervisors elected should be announced by the chairman at the meeting.

Article 34 The Company's Board of Directors shall issue letters of elected notification to the elected directors and supervisors.

Article 35 These Rules shall be effective from the date approved by shareholders' meeting. The same applies to amendments.

The Rules was established on June 17, 2009.

Appendix 4

TaiMed Biologics Inc.
Shareholdings of Directors and Supervisors

As of March 17, 2010

Title	Name	Election Date	Shareholding as of Election		Current Shareholding	
			Shares	%	Shares	%
Chairman	Representative of Oneness Biotech Co., Ltd.: Kung-Ming Lu	96.9.3	2,000,000	20%	22,590,000	11.70%
Director	Representative of National Development Fund: Lu-Ping Chou	96.9.3	4,000,000	40%	40,112,000	20.78%
Director	Representative of National Development Fund: Chou-Lien Huang	96.9.3	4,000,000	40%	40,112,000	20.78%
Director	Representative of Taiwan BioVenture Company: Hong-Ren Chang	96.9.3	2,000,000	20%	13,200,000	6.84%
Director	Hui Hong Investment Co., Ltd.	97.6.12	15,500,000	15.98%	19,150,000	9.92%
Director	Ruentex Industries Ltd.	97.6.12	7,750,000	7.99%	12,060,000	6.25%
Director	Nien-Yuan Chang	97.6.12	0	0	3,380,000	1.75%
Director	Chuan-Tai Cheng	97.12.5	0	0	0	0
Supervisor	Shiao-Lin Shen	98.4.28	0	0	0	0
Supervisor	Representative of Ruentex Development Co., Ltd.: (not available now)	98.6.17	7,750,000	7.99%	12,060,000	6.25%

Total 10,000,000 shares issued on September 3, 2007

Total 97,000,000 shares issued on June 12, 2008

Total 97,150,000 shares issued on June 17, 2009

Total 193,060,000 shares issued on March 17, 2010

The shareholding of all Directors shall be 14,479,500 shares

The shareholding of all Supervisors shall be 1,447,950 shares

As of March 23, 2010, the shareholdings of the Company's Directors: 106,982,000 shares

As of March 23, 2010, the shareholdings of the Company's Supervisors: 12,060,000 shares

Note: Kung-Ming Lu was reassigned as the representative of Oneness Biotech Co., Ltd.
(formerly TaiMed Inc.)

Lu-Ping Chou and Chou-Lien Huang were reassigned as the representatives of National
Development Fund