


TOI Co., Ltd.
The 2023 Annual Shareholders' Meeting

Time: 9 a.m. on Tuesday, June 27, 2023

Place: No. 12, Shennong Rd., Dehe Vil., Changzhi Township, Pingtung County 908, Taiwan (R.O.C.)

Present: The total number of shares present in person or by proxy was 92,506,990 shares (including 48,795,840 votes casted electronically), representing 78.57% of the total issued shares of 117,728,830 shares of the Company.

Directors Present: Chairman of the Board Yung-Hsiang Lin, Yang Guang Investment Co., Ltd. (represented by Director Pi-Shu Li), Dydo Group Holdings, Inc. (represented by Director Tomiya Takamatsu), Independent Director Chen-Yi Kao, Independent Director Sung-Yuan Liao, Independent Director Shih-Ming Li. A total of 6 directors attended, more than half of the 7 directors.

Other Attendants: PwC CPA Ming-Chuan Hsu
PwC Legal Lawyer Yuan-Yao Jhong

Chairperson: Chairman of the Board Yung-Hsiang Lin



Recorded by: Juen-Ying Chiou



I. Call the Meeting to Order:

The number of shares present exceeded the requirements of the Company Act and the Chairman called the meeting to order in accordance with the law.

II. Chairman Remarks: (skip).

III. Management Presentation

1. 2022 Business Report

Explanation: The 2022 Business Report is attached as Attachment 1.

(Shareholders have been informed.)

2. 2022 Audit Committee' s Review Report

Explanation: The 2022 Audit Committee Report is attached as Attachment 2.

(Shareholders have been informed.)

3. 2022 Director's Compensation and Employee Profit Sharing Plans

Explanation: (1) In accordance with Article 18 of the Articles of Incorporation of TCI Co., Ltd., after TCI Co., Ltd. offsets its losses in previous years, TCI Co., Ltd. shall set aside not more than 3% of its annual profits as compensation to its directors, and not less than 5% and not more than 15% as profit sharing bonuses to its employees. The annual profits are defined as its annual profit before tax.

- (2) The Directors' Compensation and Employee Profit Sharing Plans have been approved at the meeting of the Board of Directors on March 30, 2023. The amount of 2022 directors' compensation is NT\$4,200,000, and the amount of 2022 employees' profit sharing bonus is NT\$49,973,911. The compensation and the profit sharing bonus will be distributed by cash, and shall be distributed through one or several payments.

(Shareholders have been informed.)

IV. Matters for Ratification

1. Proposed by the Board

Proposal: Adoption of the 2022 Business Report and Financial Statements

Explanation: (1) TCI Co., Ltd.'s Financial Statements, including Consolidated Financial Statements, and Business Report, were audited by independent auditors, Ming-Chuan Hsu and Ping-Chun Chih of PwC Taiwan. Also, Financial Statements and Consolidated Financial Statements have been approved by the Boards of Directors and examined by the Audit Committee on March 30, 2023.

- (2) The 2022 Business Report, Independent Auditors' Report, Financial Statements, and Consolidated Financial Statements are attached as Attachment 1 and Attachment 3.

- (3) Please resolve.

Resolution: The voting results on this proposal are as follows

Number of voting rights of shareholders present at the time of voting: 92,506,990

| Voting results (including electronic votes) | Percentage of voting rights of shareholders present at the time of voting |
|--|--|
| Approval votes: 88,650,648 | 95.83% |
| Disapproval votes: 6,323 | 0.00% |
| Invalid votes: 0 | 0.00% |
| Abstention votes/no votes: 3,850,019 | 4.16% |

Proposal was approved as proposed.

2. Proposed by the Board

Proposal: Adoption of the Proposal for Distribution of 2022 Profits

Explanation: (1) The Board has adopted the proposal for distribution of 2022 Profits on May 8, 2023. The 2022 Profit Distribution Proposal is attached as Attachment 4.

- (2) The distribution of 2022 profits is calculated based on the total number of issued shares (118,260,830 shares). The cash dividend payment is NT\$5 per share, and the total amount of cash dividend is NT\$591,304,150. The amount of cash dividend payment per share is rounded down to the nearest whole number. The amount of the remaining cash dividend which cannot be distributed (less than NT\$1 per share) will be disturbed in accordance with the percentage of current shareholding to meet the total amount of distribution of 2022 profits.
- (3) In the event that, after this meeting, the proposed profit distribution is affected by any changes in equity like convertible bonds or the execution of employee stock options, it is proposed that the Board of Directors will be authorized to adjust each shareholder's percentages of the cash dividend and the stock dividend.
- (4) The amount of dividend is distributed to shareholders on the basis of the shareholding recorded in the shareholders list on the ex-dividend date. Upon the approval of the Annual Shareholders' Meeting and the competent authority, it is proposed that the Board of Directors will be authorized to resolve the ex-dividend date and other relevant issues.
- (5) Please resolve.

Resolution: The voting results on this proposal are as follows

Number of voting rights of shareholders present at the time of voting: 92,506,990

| Voting results (including electronic votes) | Percentage of voting rights of shareholders present at the time of voting |
|--|--|
| Approval votes: 91,670,885 | 99.09% |
| Disapproval votes: 12,570 | 0.01% |
| Invalid votes: 0 | 0.00% |
| Absentation votes/no votes: 823,535 | 0.89% |

Proposal was approved as proposed.

V. Matters for Discussion

1. Proposed by the Board

Proposal: Proposal for the amendments to the Articles of Incorporation

Explanation: (1) To meet the operational requirements, it is proposed to amend some provisions of the Articles of Incorporation of the Company. For the Table for Comparison of Amendments to the Articles of Incorporation with the Current Version, please refer to Attachment 5.

(2) Please discuss.

Resolution: The voting results on this proposal are as follows

Number of voting rights of shareholders present at the time of voting: 92,506,990

| Voting results (including electronic votes) | Percentage of voting rights of shareholders present at the time of voting |
|--|--|
| Approval votes: 88,672,638 | 95.85% |
| Disapproval votes: 6,576 | 0.00% |
| Invalid votes: 0 | 0.00% |
| Absentation votes/no votes: 3,827,776 | 4.13% |

Proposal was approved as proposed.

VI. Election Matters

1. Proposed by the Board

Proposal: The election of the Board of Directors

Explanation: (1) The Directors' term of office expires on June 17, 2023, and it is proposed to propose a full re-election of 7 Directors at the Annual Shareholders' Meeting on June 27, 2023, and the above-mentioned number of Directors to be elected includes 4 Independent Directors.

(2) In accordance with Article 13 of the Articles of Incorporation of TCI, the Company shall adopt a candidate nomination system for the election of directors, and the shareholders shall elect the candidates from the list of candidates. The list of candidates for the current term of directors and independent directors is as follows:

| Candidate type | Name | Educational Background and Work Experience | Current Occupation | Number of Shares Held |
|----------------|---|--|--|-----------------------|
| Director | Yong Jiang Investment Co. Legal Director Representative Yung-Hsiang Lin | National Chung Hsing University | Chairman, TCI Co., Ltd. General Manager, TCI Co., Ltd. Chairman, Maxigen Biotech Inc. Chairman, TCI Gene Inc. | 5,099,623 |

| Candidate type | Name | Educational Background and Work Experience | Current Occupation | Number of Shares Held |
|----------------------|---------------------------------|--|--|-----------------------|
| Director | Yang Guang Investment Co., Ltd. | Not applicable | None | 4,503,053 |
| Director | Dydo Group Holdings, Inc. | Not applicable | None | 5,880,216 |
| Independent Director | Chen-Yi Kao | Doctor Degree in Chemistry, Tufts University Professor at Graduate Institute of Biochemistry, National Chung Hsing University | Professor at Graduate Institute of Biochemistry, National Chung Hsing University | 0 |
| Independent Director | Sung-Yuan Liao | Doctor Degree, National Chung Hsing University Associate Professor, Department of Life Sciences, National Chung Hsing University | Independent Director, Maxigen Biotech Inc. | 0 |
| Independent Director | Shih-Ming Li | Bachelor degree of Medicine, National Defense Medical Center Reproductive Endocrinology and infertility Researcher, University of California, Los Angeles | Head of Reproductive Center, Chung Shan Hospital Attending Physician, Department of Obstetrics and Gynecology, Chung Shan Hospital Executive Director, Chung Shan Hospital Independent Director, Maxigen Biotech Inc. | 0 |
| Independent Director | Shu-Min He | Master's Degree in Accounting, National Taiwan University Certified Public Accountant, PwC | None | 1,000 |

(3) Please elect the Directors and Independent Directors.

Election Results:

| Account No. or ID No. | Elected | Number of Votes (Shares) |
|-----------------------------|--|--------------------------|
| Director | | |
| 14940 | Yong Jiang Investment Co. Legal Director Representative Yung-Hsiang Lin | 108,590,848 |
| 8923 | Dydo Group Holdings, Inc. | 61,937,074 |
| 16387 | Yang Guang Investment Co., Ltd. | 57,394,254 |
| Independent Director | | |
| P10075**** | Sung-Yuan Liao | 82,837,681 |
| Y20027**** | Shu-Min He | 80,323,619 |
| E12071**** | Chen-Yi Kao | 71,961,697 |
| M10110**** | Shih-Ming Li | 64,017,518 |

VII. Other Resolutions

Proposal: The removal of non-competition restrictions for new directors and their representatives.

Explanation: (1) In accordance with Article 209 of the Company Act, “A director who performs an act for himself/herself or another person that falls within the scope of the Company’s business shall explain the material content of his/her act to the shareholders’ meeting and obtain permission.”

(2) In view of the fact that the new Directors after the re-election of the 2023 Annual Shareholders’ Meeting of TCI may happen to concurrently serve as directors of companies with the same or similar business scope as TCI, it is proposed, according to Article 209 of the Company Act, that the non-competition restrictions for new directors shall be removed on the premise that TCI’s interests will not be jeopardized. Please refer to attachment 6.

(3) Please discuss and resolve.

Resolution: The voting results on this proposal are as follows:

Number of voting rights of shareholders present at the time of voting: 92,506,990

| Voting results (including electronic votes) | Percentage of voting rights of shareholders present at the time of voting |
|--|--|
| Approval votes: 84,716,433 | 91.57% |
| Disapproval votes: 135,061 | 0.14% |
| Invalid votes: 0 | 0.00% |
| Abstention votes/no votes: 7,655,496 | 8.27% |

Proposal was approved as proposed.

VIII. Questions and Motions:

Shareholder (account no. 38701) Sing-Yuan Huang asked Chairman Lin to discuss the Company's outlook for the second half of 2023 and to explain the strategy for 2024.

After Chairman Lin shared the general economic situation and the Company's operation, the shareholder who raised the question applauded the response.

Chairman Lin again asked all shareholders present if they had any further questions, and there were no further questions from the shareholders present.

IX. Meeting Adjourned (09:40 A.M.)

Attachment 1

Business Report

Dear Shareholders,

In 2022, our value chain continued to be impacted by the pandemic. The Company as a whole faced difficult challenges in its operations. Going against the wind, we were not able to meet the desired targets in 2022. Nevertheless, under the difficult environment, we have proactively and positively made many adjustments and have achieved corresponding results. We believe that these efforts and changes will serve as the foundation and energy for our growth in the coming year of 2023.

Firstly, we have two major improvements on the market aspect:

1. Accelerate internationalization and move towards multi-national market

TCI shifted from an industry ecosystem that previously relied on the Chinese market to a multinational market, and has now invested resources in the European, American and Southeast Asian markets, and is gradually making considerable progress. After opening up the borders, our team has been actively promoting our business activities in various countries and conducting high-level product meetings with leading companies in overseas markets to demonstrate TCI's competitiveness in the international supply chain. In the health care and skincare CDMO business, the contribution from European and U.S. revenue will increase from 26% of total revenue in 2021 to 32% of total revenue in 2022. We will continue to achieve more long-term performance in the European and U.S. markets in the future.

2. Concentrating resources to form alliances with larger customers

Currently, TCI develops many large international customers, and the significant expansion of our customer base will lead to long-term partnerships. In terms of product development, TCI's R&D capabilities, research data, and ability to quickly integrate global regulations and marketing resources are well recognized and supported by large international customers. The products created in cooperation with large customers will benefit from their resources and bring more stable performance in the market in the future.

For the past year, we emphasized on "Global Total Solution," which is a global solution for multinational customers from product design, allowing customers to market their products to many countries worldwide in the shortest time, with the highest efficiency, quickly and with high quality, creating a win-win situation with customers.

In terms of business management, we actively align ourselves with international ESG sustainability standards and integrate with the United Nations sustainable development goals SDGs and have been recognized by third-party evaluation organizations. TCI ranked among the top 13% of the global industry leaders in the 2022 S&P Corporate Sustainability Assessment. This result represents that TCI has measures and excellent performance in environmental, social and corporate governance aspects that are in line with international standards. Under sound governance, although operating expenses

have increased due to investment in research and development, business development, and green manufacturing, it will strengthen the Company's resilience in the face of climate change and risks, and consolidate future competitiveness, which in turn will help bring steady growth in long-term operations.

Looking ahead to 2023, as we emerge from the impact of the pandemic, TCI will continue to create and deliver value, translating into better financial performance. We are fully committed to the following

six main aspects:

1. Business growth

We will continue to recruit top sales talents from all over the world so that new products and customers can be developed worldwide to generate positive revenue growth and build strong partnerships with large customers. Simultaneously, we will focus on promising emerging markets to expand global trade.

2. Innovative Join & Delight

We strive to differentiate our products to help our customers differentiate from the market and to design more effective and superior products based on science to deepen and stimulate long-term health and beauty-related needs in consumers' lives.

3. The Group's intelligent manufacturing, investing in factories

TCI leads the Group's major biotech businesses to invest in intelligent production, empowering agile management with Industry 4.0 and artificial intelligence to further reduce costs and improve customer satisfaction.

4. Preparation of green energy and zero carbon

TCI will invest in the self-generation of green energy, prepare for net-zero carbon emissions by building power plants, produce green products for customers, and create a sustainable supply chain.

5. Talent reserve

We organize key talents and effectively manage and utilize them to enhance our competitive advantage, maintain 120% of the Group's talent reserve, construct a development system with real-world capabilities, enhance the functions of key talents to maximize their value, and create a top-notch team for the entire Group.

6. Strengthen cost management

We will effectively control costs, reduce operational losses, create higher operating profit and gross margin through bargaining and cost saving, and bring maximum profit for the Company and shareholders to welcome a better future together.

2022 Financial Performance

(1) Operational Results:

Unit: NT\$ thousand

| TCI Co., Ltd. | | | | |
|---|-------------|-------------|-------------|------|
| Consolidated Income Statement | | | | |
| Item | 2022 | 2021 | Difference | % |
| Net Revenue | 7432514 | 8580103 | (1,147,589) | -13% |
| Operating Costs | (4,297,047) | (4,855,271) | 558224 | -11% |
| Gross Profit | 3135467 | 3724832 | (589,365) | -16% |
| Operating Expenses | (2,109,365) | (1,994,975) | (114,390) | 6% |
| Income from Operations | 1026102 | 1729857 | (703,755) | -41% |
| Other Operating Income and Expenses | 263667 | 279594 | (15,927) | -5% |
| Pre-tax Income | 1289769 | 2009451 | (719,682) | -36% |
| Income Tax Expense | (469,007) | (393,450) | (75,557) | 19% |
| Net Income | 820762 | 1616001 | (795,239) | -49% |
| Net income attributable to parent company | 713494 | 1545758 | (832,264) | -54% |
| Net income attributable to noncontrolling interests | 107268 | 70243 | 37025 | 53% |

(2) Analysis of Financial Performance

1. In 2022, TCI's net revenue totaled NT\$7.432514 billion, a decrease of 13 percent compared with the NT\$8.580103 billion in 2021; the income from operations totaled NT\$1.026102 billion, a decrease of 41 percent compared with the NT\$1.729857 in 2021; the net income totaled NT\$0.820762 billion, a decrease of 49 percent compared with the NT\$1.616001 billion in 2021.
2. In 2022, the gross profit margin was 42.19%, down 1.22% compared with the 43.41% in 2021; the operating income margin was 13.81%, down 6.35% compared with the 20.16% in 2021; the profit margin was 11.04%, down 7.79% compared with the 18.83% in 2021.
3. In 2022, the earnings per share was NT\$ 6.06, down 53.99% compared with the NT\$13.17 in 2021.

Chairman: Yung-Hsiang Lin



CEO: Yung-Hsiang Lin



Accounting Manager: Chen-Chen Fu



Attachment 2

Audit Committee Report

The Board of Directors has prepared the Company's 2022 Financial Statements. The CPAs of PwC Taiwan, Ming-Chuan Hsu and Ping-Chun Chih, were retained to audit TCI's Financial Statements. The Business Report, Financial Statements, and earning allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of TCI Co., Ltd. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To
2023 Annual Shareholders' Meeting of TCI Co., Ltd.

TCI Co., Ltd.

Chairman of the Audit Committee:

Sung-Yuan Liao



May 8, 2023

Attachment 3

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TCI Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of TCI Co., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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 parent company only financial position of TCI Co., Ltd as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' 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 Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Company's 2022 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Existence and occurrence of top ten customers

Description

The Company's and its subsidiaries' (listed as investments accounted for under equity method) sales revenue arise mainly from manufacturing and sales of health foods and cosmetics. Customers are mostly direct marketing companies in America, Europe and Asia and cosmetic companies.

With the expansion of direct marketing companies in America, Europe and Asia, the sales revenue from top ten customers has increased significantly and became a significant portion of operating income to the parent company only financial statements. Because of the rapid development in the internet sales market, more time and resources were required in performing the audit procedures. Thus, we consider the existence and occurrence of top ten customers as a key audit matter.

Please refer to Note 4(28) for accounting policies on revenue recognition and Note 6(22) for details of sales revenue and Note 6(7) for details of investments accounted for under equity method.

How our audit addressed the matter

Our audit procedures in respect of the above key audit matter included:

- Understanding and testing the internal control procedures of the top ten customers and testing the effectiveness of internal control related to sales revenue.
- Selecting samples from sales transactions of the top ten customers and comparing against orders and delivery bills to confirm whether the sales transactions did occur.
- Examining sales returns and discounts from the top ten customers after the balance sheet date to confirm the existence of sales revenue.

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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China , we exercise professional judgment and maintain 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 auditors' 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 auditors' 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 appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the parent company 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditors' 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.

Hsu, Ming-Chuan Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 30, 2023

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 independent auditors' report 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TCI CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | December 31, 2022 | | December 31, 2021 | | |
|---------------------------|---|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 632,780 | 5 | \$ 591,468 | 5 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 184,805 | 2 | 131,266 | 1 |
| 1136 | Current financial assets at amortised cost | 6(4) and 8 | 10,380 | - | - | - |
| 1150 | Notes receivable, net | 6(5) | 11,184 | - | 14,034 | - |
| 1170 | Accounts receivable, net | 6(5) | 209,408 | 2 | 296,878 | 2 |
| 1180 | Accounts receivable - related parties, net | 7 | 1,041,513 | 9 | 665,422 | 5 |
| 1200 | Other receivables | | 31,106 | - | 17,059 | - |
| 1210 | Other receivables - related parties | 7 | 97,047 | 1 | 27,502 | - |
| 130X | Inventories | 6(6) | 638,612 | 5 | 488,439 | 4 |
| 1410 | Prepayments | | 134,358 | 1 | 271,372 | 2 |
| 1470 | Other current assets | | 32,980 | - | 53,947 | 1 |
| 11XX | Total current assets | | <u>3,024,173</u> | <u>25</u> | <u>2,557,387</u> | <u>20</u> |
| Non-current assets | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(3) | 19,696 | - | 30,210 | - |
| 1535 | Non-current financial assets at amortised cost | 6(4) and 8 | 530,031 | 4 | 774,684 | 6 |
| 1550 | Investments accounted for using equity method | 6(7) | 4,443,318 | 37 | 5,010,822 | 40 |
| 1600 | Property, plant and equipment | 6(8) | 3,575,910 | 30 | 3,391,980 | 27 |
| 1755 | Right-of-use assets | 6(9) | 7,414 | - | 14,119 | - |
| 1780 | Intangible assets | 6(10) | 15,169 | - | 13,946 | - |
| 1840 | Deferred income tax assets | 6(29) | 20,823 | - | 28,910 | - |
| 1900 | Other non-current assets | 6(11) | 473,511 | 4 | 807,788 | 7 |
| 15XX | Total non-current assets | | <u>9,085,872</u> | <u>75</u> | <u>10,072,459</u> | <u>80</u> |
| 1XXX | Total assets | | <u>\$ 12,110,045</u> | <u>100</u> | <u>\$ 12,629,846</u> | <u>100</u> |

(Continued)

TCI CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | Notes | December 31, 2022 | | December 31, 2021 | | |
|--------------------------------|--|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(12) | \$ 1,146,320 | 10 | \$ 1,448,238 | 12 |
| 2130 | Current contract liabilities | 6(22) | 217,957 | 2 | 178,800 | 2 |
| 2150 | Notes payable | | - | - | 1,440 | - |
| 2170 | Accounts payable | | 565,061 | 5 | 528,446 | 4 |
| 2180 | Accounts payable - related parties | 7 | 146,496 | 1 | 208,678 | 2 |
| 2200 | Other payables | 6(13) | 419,364 | 3 | 653,455 | 5 |
| 2220 | Other payables - related parties | 7 | 30,994 | - | 43,943 | - |
| 2230 | Current income tax liabilities | 6(29) | 458,401 | 4 | 408,585 | 3 |
| 2280 | Current lease liabilities | | 6,557 | - | 6,806 | - |
| 2320 | Long-term liabilities, current portion | 6(15) | 650,000 | 5 | - | - |
| 2399 | Other current liabilities, others | | 36,481 | - | 32,584 | - |
| 21XX | Total current liabilities | | <u>3,677,631</u> | <u>30</u> | <u>3,510,975</u> | <u>28</u> |
| Non-current liabilities | | | | | | |
| 2540 | Long-term borrowings | 6(15) | 317,510 | 3 | 967,510 | 8 |
| 2570 | Deferred income tax liabilities | 6(29) | 5,254 | - | 5,184 | - |
| 2580 | Non-current lease liabilities | | 1,103 | - | 7,660 | - |
| 2600 | Other non-current liabilities | 6(7) | - | - | 22,090 | - |
| 25XX | Total non-current liabilities | | <u>323,867</u> | <u>3</u> | <u>1,002,444</u> | <u>8</u> |
| 2XXX | Total liabilities | | <u>4,001,498</u> | <u>33</u> | <u>4,513,419</u> | <u>36</u> |
| Equity | | | | | | |
| Share capital | | | | | | |
| 3110 | Share capital - common stock | 6(18) | 1,182,608 | 10 | 1,182,449 | 9 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(19) | 2,887,265 | 24 | 2,647,254 | 21 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(20) | 899,210 | 7 | 744,681 | 6 |
| 3320 | Special reserve | | 282,347 | 2 | 244,700 | 2 |
| 3350 | Unappropriated retained earnings | | 3,170,008 | 26 | 3,698,477 | 29 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(21) | (194,104) | (1) | (282,347) | (2) |
| 3500 | Treasury shares | 6(18) | (118,787) | (1) | (118,787) | (1) |
| 3XXX | Total equity | | <u>8,108,547</u> | <u>67</u> | <u>8,116,427</u> | <u>64</u> |
| 3X2X | Total liabilities and equity | | <u>\$ 12,110,045</u> | <u>100</u> | <u>\$ 12,629,846</u> | <u>100</u> |

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

| Items | Notes | Year ended December 31 | | | |
|---|---------------------------|------------------------|-------|--------------|-------|
| | | 2022 | | 2021 | |
| | | AMOUNT | % | AMOUNT | % |
| 4000 Sales revenue | 6(22) and 7 | \$ 4,957,274 | 100 | \$ 5,717,576 | 100 |
| 5000 Operating costs | 6(6)(16)(27)(28) and 7 | (2,880,108) | (58) | (3,322,349) | (58) |
| 5900 Net operating margin | | 2,077,166 | 42 | 2,395,227 | 42 |
| 5910 Unrealized profit from sales | 6(7) | (72,945) | (1) | (113,382) | (2) |
| 5920 Realized profit on from sales | 6(7) | 113,382 | 2 | 264,433 | 4 |
| 5950 Net operating margin | | 2,117,603 | 43 | 2,546,278 | 44 |
| Operating expenses | 6(16)(27)(28) | | | | |
| 6100 Selling expenses | | (330,116) | (7) | (469,981) | (8) |
| 6200 General and administrative expenses | | (394,811) | (8) | (441,800) | (8) |
| 6300 Research and development expenses | | (350,839) | (7) | (412,387) | (7) |
| 6450 Impairment loss determined in accordance with IFRS 9 | 12(2) | - | - | 10,000 | - |
| 6000 Total operating expenses | | (1,075,766) | (22) | (1,314,168) | (23) |
| 6900 Operating profit | | 1,041,837 | 21 | 1,232,110 | 21 |
| Non-operating income and expenses | | | | | |
| 7100 Interest income | 6(23) | 10,150 | - | 2,014 | - |
| 7010 Other income | 6(24) and 7 | 21,809 | 1 | 16,780 | - |
| 7020 Other gains and losses | 6(25) | 111,037 | 2 | 150,136 | 3 |
| 7050 Finance costs | 6(26) | (29,852) | (1) | (21,801) | - |
| 7070 Share of (loss) profit of associates and joint ventures accounted for using equity method, net | 6(7) | (209,676) | (4) | 468,531 | 8 |
| 7000 Total non-operating income and expenses | | (96,532) | (2) | 615,660 | 11 |
| 7900 Profit before income tax | | 945,305 | 19 | 1,847,770 | 32 |
| 7950 Income tax expense | 6(29) | (231,811) | (5) | (302,012) | (5) |
| 8200 Profit for the year | | \$ 713,494 | 14 | \$ 1,545,758 | 27 |
| Other comprehensive income (loss) | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income | 6(3)(21) | (\$ 10,544) | - | \$ 6,642 | - |
| 8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss | 6(7)(21) | 3,593 | - | 5,977 | - |
| Other comprehensive (loss) income that will be reclassified to profit or loss | | | | | |
| 8361 Financial statements translation differences of foreign operations | 6(7)(21) | 95,421 | 2 | (50,205) | (1) |
| 8300 Other comprehensive income (loss) for the year | | \$ 88,470 | 2 | (\$ 37,586) | (1) |
| 8500 Total comprehensive income for the year | | \$ 801,964 | 16 | \$ 1,508,172 | 26 |
| Earnings per share (In dollars) | 6(30) | | | | |
| 9750 Basic earnings per share | | \$ | 6.06 | \$ | 13.17 |
| 9850 Diluted earnings per share | 6(30) | \$ | 6.03 | \$ | 13.09 |

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Retained Earnings | | | | Other equity interest | | | | Treasury shares | Total equity |
|---|-----------|------------------------------|---|---------------|-----------------|----------------------------------|--|---|---|-----------------|---------------|
| | | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Other equity - unearned employee compensation | | |
| <u>For the year ended December 31, 2021</u> | | | | | | | | | | | |
| Balance at January 1, 2021 | | \$1,182,202 | \$2,618,432 | \$ 598,016 | \$ 325,709 | \$3,259,603 | (\$ 233,124) | (\$ 11,576) | (\$ 12,369) | (\$ 226,857) | \$7,500,036 |
| Profit for the year | | - | - | - | - | 1,545,758 | - | - | - | - | 1,545,758 |
| Other comprehensive income for the year | 6(21) | - | - | - | - | 61 | (50,205) | 12,558 | - | - | (37,586) |
| Total comprehensive income | | - | - | - | - | 1,545,819 | (50,205) | 12,558 | - | - | 1,508,172 |
| Appropriations of 2020 earnings | | | | | | | | | | | |
| Legal reserve | | - | - | 146,665 | - | (146,665) | - | - | - | - | - |
| Reversal of special reserve | | - | - | - | (81,009) | 81,009 | - | - | - | - | - |
| Cash dividends | | - | - | - | - | (1,040,756) | - | - | - | - | (1,040,756) |
| Exercise of employee stock purchase plans | 6(17)(18) | 280 | 1,367 | - | - | - | - | - | - | - | 1,647 |
| Proceeds from capital reduction of restricted stocks to employees | 6(18) | (40) | - | - | - | - | - | - | - | - | (40) |
| Conversion of convertible bonds into shares | 6(18) | 7 | 193 | - | - | - | - | - | - | - | 200 |
| Share-based payments | 6(17)(21) | - | 18,385 | - | - | - | - | - | 12,369 | - | 30,754 |
| Changes in equity of associates and joint ventures | | - | 8,243 | - | - | - | - | - | - | - | 8,243 |
| Exercise of employee stock purchase plans | | - | 366 | - | - | - | - | - | - | - | 366 |
| Treasury stock transferred to employees | 6(18) | - | 268 | - | - | - | - | - | - | 108,070 | 108,338 |
| Adjustment not proportionately to shareholding ratio | | - | - | - | - | (533) | - | - | - | - | (533) |
| Balance at December 31, 2021 | | \$1,182,449 | \$2,647,254 | \$ 744,681 | \$ 244,700 | \$3,698,477 | (\$ 283,329) | \$ 982 | \$ - | (\$ 118,787) | \$8,116,427 |

(Continued)

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Retained Earnings | | | | Other equity interest | | | | Treasury shares | Total equity |
|--|-----------|------------------------------|---|-------------------|-------------------|----------------------------------|--|---|---|---------------------|--------------------|
| | | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Other equity - unearned employee compensation | | |
| <u>For the year ended December 31, 2022</u> | | | | | | | | | | | |
| Balance at January 1, 2022 | | \$1,182,449 | \$2,647,254 | \$ 744,681 | \$ 244,700 | \$3,698,477 | (\$ 283,329) | \$ 982 | \$ - | (\$ 118,787) | \$8,116,427 |
| Profit for the year | | - | - | - | - | 713,494 | - | - | - | - | 713,494 |
| Other comprehensive income (loss) for the year | 6(21) | - | - | - | - | 257 | 95,421 | (7,208) | - | - | 88,470 |
| Total comprehensive income (loss) | | - | - | - | - | 713,751 | 95,421 | (7,208) | - | - | 801,964 |
| Appropriations of 2021 earnings | | | | | | | | | | | |
| Legal reserve | | - | - | 154,529 | - | (154,529) | - | - | - | - | - |
| Special reserve | | - | - | - | 37,647 | (37,647) | - | - | - | - | - |
| Cash dividends | | - | - | - | - | (1,050,014) | - | - | - | - | (1,050,014) |
| Exercise of employee stock purchase plans | 6(17)(18) | 159 | 709 | - | - | - | - | - | - | - | 868 |
| Share-based payments | 6(17)(21) | - | 5,030 | - | - | - | - | - | - | - | 5,030 |
| Disposal of investment in equity instrument at fair value through other comprehensive income | | - | - | - | - | (30) | - | 30 | - | - | - |
| Changes in equity of associates and joint ventures | | - | 14,266 | - | - | - | - | - | - | - | 14,266 |
| Difference between consideration and carrying amount of subsidiaries acquired or disposed | | - | 15,962 | - | - | - | - | - | - | - | 15,962 |
| Adjustment not proportionately to shareholding ratio | | - | 204,044 | - | - | - | - | - | - | - | 204,044 |
| Balance at December 31, 2022 | | <u>\$1,182,608</u> | <u>\$2,887,265</u> | <u>\$ 899,210</u> | <u>\$ 282,347</u> | <u>\$3,170,008</u> | <u>(\$ 187,908)</u> | <u>(\$ 6,196)</u> | <u>\$ -</u> | <u>(\$ 118,787)</u> | <u>\$8,108,547</u> |

The accompanying notes are an integral part of these parent company only financial statements.

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|--|-----------------|------------------------|--------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 945,305 | \$ 1,847,770 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(8)(9)(27) | 363,501 | 301,433 |
| Amortisation | 6(10)(27) | 7,072 | 8,273 |
| Impairment profit determined in accordance with IFRS 9 | 6(3) | - | (10,000) |
| Net gain on financial assets at fair value through profit or loss | 6(2)(25) | (17,195) | (37,552) |
| Interest expense | 6(26) | 29,852 | 21,801 |
| Interest income | 6(23) | (10,150) | (2,015) |
| Dividend income | 6(24) | (4,893) | (3,420) |
| Compensation cost arising from employee stock options | 6(17)(28) | 5,950 | 35,797 |
| Share of loss (profit) of subsidiaries accounted for under equity method | 6(7) | 209,676 | (468,531) |
| Gain on disposal of property, plant and equipment | 6(25) | (5,529) | (1,203) |
| Increase in investments accounted for using equity method | | (2,532) | (118,855) |
| Profit from lease modifications | 4(15) and 6(25) | - | (44) |
| Realized profit from sales | 6(7) | (40,437) | (151,051) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | 2,850 | 1,619 |
| Accounts receivable | | 87,470 | (78,902) |
| Accounts receivable - related parties | | (376,091) | (126,189) |
| Other receivables | | (14,047) | 4,257 |
| Other receivables - related parties | | (69,545) | (19,399) |
| Inventories | | (150,173) | (126,453) |
| Prepayments | | (1,361) | (27,880) |
| Other current assets | | 20,967 | (26,719) |
| Changes in operating liabilities | | | |
| Contract liabilities - current | | 39,157 | 34,657 |
| Notes payable | | (1,440) | 90 |
| Accounts payable | | 36,615 | (5,708) |
| Accounts payable - related parties | | (62,182) | 80,993 |
| Other payables | | (197,037) | (626) |
| Other current liabilities | | 3,897 | (16,863) |
| Other payables - related parties | | (12,949) | 30,622 |
| Cash inflow generated from operations | | 786,751 | 1,145,902 |
| Interest received | | 10,150 | 2,015 |
| Dividends received | | 4,893 | 3,420 |
| Interest paid | | (29,665) | (21,467) |
| Income tax paid | | (173,838) | (266,417) |
| Net cash flows from operating activities | | 598,291 | 863,453 |

(Continued)

TCI CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|---|-------|------------------------|--------------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of non-current financial assets at fair value through other comprehensive income | | (\$ 10,000) | \$ - |
| Proceeds from disposal of non-current financial assets at fair value through other comprehensive income | 6(2) | 9,970 | - |
| Increase in investments accounted for under equity method | 6(7) | (73,933) | (388,993) |
| Earnings distribution of investments accounted for using equity method | 6(7) | 901,196 | 954,902 |
| Proceeds from disposal of investments accounted for using the equity method | | 19,541 | - |
| Acquisition of property, plant and equipment | 6(31) | (73,617) | (50,026) |
| Proceeds from disposal of property, plant and equipment | | 18,674 | 4,306 |
| Acquisition of intangible assets | 6(10) | (6,818) | (3,701) |
| Acquisition of financial assets at fair value through profit or loss | 6(2) | (153,566) | (124,789) |
| Proceeds from disposal of financial assets at fair value through profit or loss | | 119,754 | 6,113 |
| (Decrease) increase in financial assets at amortised cost | 6(4) | 234,273 | (597,731) |
| Increase in prepayments for purchase of investment | | - | (138,375) |
| Increase in prepayments for purchase of equipment | | (184,652) | (408,686) |
| Increase in refundable deposits | | 256 | 7,203 |
| Increase in other non-current assets | | - | (156) |
| Net cash flows from (used in) investing activities | | <u>801,078</u> | <u>(739,933)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Repayments of short-term borrowings | | (4,600,080) | (4,423,217) |
| Proceeds from short-term borrowings | | 4,298,162 | 4,795,121 |
| Lease liabilities paid | 6(9) | (6,993) | (9,080) |
| Repayment of bonds | | - | (435,200) |
| Proceeds from long-term borrowings | | - | 963,530 |
| Cash dividends paid | | (1,050,014) | (1,040,756) |
| Employee stock options | | 868 | 1,647 |
| Unvested redeemed stocks from restricted stocks to employees | 6(18) | - | (40) |
| Treasury stock transferred to employees | | - | 108,338 |
| Payments due to disgorgement | | - | 366 |
| Net cash flows used in financing activities | | <u>(1,358,057)</u> | <u>(39,291)</u> |
| Net increase in cash and cash equivalents | | 41,312 | 84,229 |
| Cash and cash equivalents at beginning of year | 6(1) | <u>591,468</u> | <u>507,239</u> |
| Cash and cash equivalents at end of year | 6(1) | <u>\$ 632,780</u> | <u>\$ 591,468</u> |

The accompanying notes are an integral part of these parent company only financial statements.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of TCI CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TCI CO., LTD. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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 at December 31, 2022 and 2021, 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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basic for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Existence and occurrence of top ten customers

Description

The Group's sales revenue arises mainly from manufacturing and sales of health foods and cosmetics. Customers are mostly direct marketing companies in Europe and Asia and cosmetic companies.

With the expansion of direct marketing companies in America, Europe and Asia, the sales revenue arising from such transactions has become a major operating item of the Group. And the sales revenue from top ten customers represents a significant portion of operating income to the consolidated financial statements. Because of the rapid development in the internet sales market, more time and resources were required in performing the audit procedures. Thus, we consider the existence and occurrence of top ten customers as a key audit matter.

Please refer to Note 4(31) for accounting policies on revenue recognition and Note 6(23) for details of sales revenue.

How our audit addressed the matter

Our audit procedures in respect of the above key audit matter included:

1. Understanding and testing the internal control procedures of the top ten customers and testing the effectiveness of internal control related to sales revenue.
2. Selecting samples from sales transactions of the top ten customers and comparing against orders and delivery bills to confirm whether the sales transactions did occur.
3. Examining sales returns and discounts from the top ten customers after the balance sheet date to confirm the existence of sales revenue.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of TCI CO., LTD. as at and for the years ended December 31, 2022 and 2021.

Other matter – Restatement of financial statements for the comparative periods

As described in Note 6(32), TCI CO., LTD. obtained control over Maxigen Biotech Inc. on July 12, 2021 and the allocation of acquisition price was completed in the second quarter of 2022. In addition, the financial statements for the comparative periods were retrospectively restated. Our opinion is not modified in respect of this matter.

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 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 that came into effect 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' 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 auditors' 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 Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain 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 auditors' 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 auditors' 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 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 group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 auditors' 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.

Hsu, Ming-Chuan Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2023

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 independent auditor's report 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Assets | Notes | December 31, 2022 | | December 31, 2021 | | |
|---------------------------|---|-------------------|----------------------|-------------------|----------------------|------------|
| | | AMOUNT | % | AMOUNT | % | |
| Current assets | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 5,402,763 | 36 | \$ 4,704,397 | 31 |
| 1110 | Financial assets at fair value through profit or loss - current | 6(2) | 184,805 | 1 | 131,266 | 1 |
| 1136 | Current financial assets at amortised cost | 6(4) and 8 | 25,696 | - | 682,472 | 5 |
| 1150 | Notes receivable, net | 6(5) | 42,778 | - | 61,663 | - |
| 1170 | Accounts receivable, net | 6(5) | 974,639 | 7 | 947,234 | 6 |
| 1180 | Accounts receivable - related parties | 7 | 268 | - | 3,026 | - |
| 1200 | Other receivables | | 47,616 | - | 49,983 | - |
| 1210 | Other receivables - related parties | | 45 | - | - | - |
| 130X | Inventories | 6(6) | 1,169,199 | 8 | 877,372 | 6 |
| 1410 | Prepayments | 6(7) | 181,133 | 1 | 280,697 | 2 |
| 1470 | Other current assets | | 42,352 | - | 70,796 | - |
| 11XX | Total current assets | | <u>8,071,294</u> | <u>53</u> | <u>7,808,906</u> | <u>51</u> |
| Non-current assets | | | | | | |
| 1517 | Non-current financial assets at fair value through other comprehensive income | 6(3) | 48,410 | 1 | 48,895 | 1 |
| 1535 | Non-current financial assets at amortised cost | 6(4) | 530,031 | 4 | 774,684 | 5 |
| 1550 | Investments accounted for using equity method | 6(8) | 27,375 | - | 2,396 | - |
| 1600 | Property, plant and equipment | 6(9) | 4,866,995 | 32 | 4,736,307 | 31 |
| 1755 | Right-of-use assets | 6(10) | 199,663 | 1 | 100,984 | 1 |
| 1760 | Investment property, net | 6(11) | 22,063 | - | 22,094 | - |
| 1780 | Intangible assets | 6(12) | 741,180 | 5 | 799,311 | 5 |
| 1840 | Deferred income tax assets | 6(31) | 26,627 | - | 33,668 | - |
| 1900 | Other non-current assets | 6(13) and 8 | 574,319 | 4 | 868,608 | 6 |
| 15XX | Total non-current assets | | <u>7,036,663</u> | <u>47</u> | <u>7,386,947</u> | <u>49</u> |
| 1XXX | Total assets | | <u>\$ 15,107,957</u> | <u>100</u> | <u>\$ 15,195,853</u> | <u>100</u> |

(Continued)

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Liabilities and Equity | | Notes | December 31, 2022 | | December 31, 2021 | |
|--|--|-------|----------------------|------------|----------------------|------------|
| | | | AMOUNT | % | AMOUNT | % |
| Current liabilities | | | | | | |
| 2100 | Short-term borrowings | 6(14) | \$ 1,146,320 | 8 | \$ 1,448,238 | 9 |
| 2130 | Current contract liabilities | 6(24) | 454,107 | 3 | 491,139 | 3 |
| 2150 | Notes payable | | 595 | - | 2,985 | - |
| 2170 | Accounts payable | | 729,866 | 5 | 857,019 | 6 |
| 2180 | Accounts payable - related parties | 7 | 895 | - | 7,362 | - |
| 2200 | Other payables | 6(15) | 691,132 | 5 | 1,007,686 | 7 |
| 2220 | Other payables - related parties | | 1 | - | 8 | - |
| 2230 | Current income tax liabilities | 6(31) | 619,366 | 4 | 496,580 | 3 |
| 2280 | Current lease liabilities | | 63,559 | - | 36,932 | - |
| 2320 | Long-term liabilities, current portion | 6(18) | 650,000 | 4 | - | - |
| 2399 | Other current liabilities, others | | 135,226 | 1 | 98,602 | 1 |
| 21XX | Total current liabilities | | <u>4,491,067</u> | <u>30</u> | <u>4,446,551</u> | <u>29</u> |
| Non-current liabilities | | | | | | |
| 2540 | Long-term borrowings | 6(18) | 317,510 | 2 | 967,510 | 7 |
| 2570 | Deferred income tax liabilities | 6(31) | 97,625 | - | 109,545 | 1 |
| 2580 | Non-current lease liabilities | | 111,306 | 1 | 37,898 | - |
| 2600 | Other non-current liabilities | | 11,425 | - | 11,902 | - |
| 25XX | Total non-current liabilities | | <u>537,866</u> | <u>3</u> | <u>1,126,855</u> | <u>8</u> |
| 2XXX | Total liabilities | | <u>5,028,933</u> | <u>33</u> | <u>5,573,406</u> | <u>37</u> |
| Equity attributable to owners of parent | | | | | | |
| Share capital | | | | | | |
| 3110 | Share capital - common stock | 6(20) | 1,182,608 | 8 | 1,182,449 | 8 |
| Capital surplus | | | | | | |
| 3200 | Capital surplus | 6(21) | 2,887,265 | 19 | 2,647,254 | 17 |
| Retained earnings | | | | | | |
| 3310 | Legal reserve | 6(22) | 899,210 | 6 | 744,681 | 5 |
| 3320 | Special reserve | | 282,347 | 2 | 244,700 | 2 |
| 3350 | Unappropriated retained earnings | | 3,170,008 | 21 | 3,698,477 | 24 |
| Other equity interest | | | | | | |
| 3400 | Other equity interest | 6(23) | (194,104) | (1) | (282,347) | (2) |
| 3500 | Treasury shares | 6(20) | (118,787) | (1) | (118,787) | (1) |
| 31XX | Equity attributable to owners of the parent | | <u>8,108,547</u> | <u>54</u> | <u>8,116,427</u> | <u>53</u> |
| 36XX | Non-controlling interest | | <u>1,970,477</u> | <u>13</u> | <u>1,506,020</u> | <u>10</u> |
| 3XXX | Total equity | | <u>10,079,024</u> | <u>67</u> | <u>9,622,447</u> | <u>63</u> |
| Significant contingent liabilities and unrecognised contract commitments | | | | | | |
| 3X2X | Total liabilities and equity | 9 | <u>\$ 15,107,957</u> | <u>100</u> | <u>\$ 15,195,853</u> | <u>100</u> |

The accompanying notes are an integral part of these consolidated financial statements.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

| Items | Notes | Year ended December 31 | | | | |
|-------|---|--------------------------|-------------------|-----------|---------------------|-----------|
| | | 2022 | | 2021 | | |
| | | AMOUNT | % | AMOUNT | % | |
| 4000 | Sales revenue | 6(24) | \$ 7,432,514 | 100 | \$ 8,580,103 | 100 |
| 5000 | Operating costs | 6(6)(17)(29)(30) | (4,297,047) | (58) | (4,855,271) | (57) |
| 5900 | Net operating margin | | <u>3,135,467</u> | <u>42</u> | <u>3,724,832</u> | <u>43</u> |
| | Operating expenses | 6(6)(9)(10) and 12(2) | | | | |
| 6100 | Selling expenses | | (731,303) | (10) | (840,033) | (10) |
| 6200 | General and administrative expenses | | (672,150) | (9) | (589,206) | (7) |
| 6300 | Research and development expenses | | (670,095) | (9) | (572,395) | (6) |
| 6450 | Impairment (loss) profit determined in accordance with IFRS9 | | (35,817) | - | 6,659 | - |
| 6000 | Total operating expenses | | (2,109,365) | (28) | (1,994,975) | (23) |
| 6900 | Operating profit | | <u>1,026,102</u> | <u>14</u> | <u>1,729,857</u> | <u>20</u> |
| | Non-operating income and expenses | | | | | |
| 7100 | Interest income | 6(25) | 67,089 | 1 | 79,986 | 1 |
| 7010 | Other income | 6(26) | 83,122 | 1 | 73,465 | 1 |
| 7020 | Other gains and losses | 6(27) | 152,930 | 2 | 143,685 | 2 |
| 7050 | Finance costs | 6(28) | (34,599) | (1) | (23,578) | - |
| 7060 | Share of (loss) profit of associates and joint ventures accounted for using equity method | 6(8) | (4,875) | - | 6,036 | - |
| 7000 | Total non-operating income and expenses | | <u>263,667</u> | <u>3</u> | <u>279,594</u> | <u>4</u> |
| 7900 | Profit before income tax | | <u>1,289,769</u> | <u>17</u> | <u>2,009,451</u> | <u>24</u> |
| 7950 | Income tax expense | 6(31) | (469,007) | (6) | (393,450) | (5) |
| 8200 | Profit for the year | | <u>\$ 820,762</u> | <u>11</u> | <u>\$ 1,616,001</u> | <u>19</u> |

(Continued)

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

| Items | Notes | Year ended December 31 | | | |
|---|--|------------------------|-------------|---------------------|--------------|
| | | 2022 | | 2021 | |
| | | AMOUNT | % | AMOUNT | % |
| Other comprehensive (loss) income | | | | | |
| Components of other comprehensive income that will not be reclassified to profit or loss | | | | | |
| 8311 | Gains on remeasurements of defined benefit plans | \$ 1,127 | - | \$ 269 | - |
| 8316 | Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income | (2,590) | - | 17,880 | - |
| Other comprehensive income (loss) that will be reclassified to profit or loss | | | | | |
| 8361 | Financial statements translation differences of foreign operations | 95,421 | 1 | (50,205) | (1) |
| 8300 | Total other comprehensive income (loss) for the year | <u>\$ 93,958</u> | <u>1</u> | <u>(\$ 32,056)</u> | <u>(1)</u> |
| 8500 | Total comprehensive income for the year | <u>\$ 914,720</u> | <u>12</u> | <u>\$ 1,583,945</u> | <u>18</u> |
| Profit attributable to: | | | | | |
| 8610 | Owners of the parent | \$ 713,494 | 10 | \$ 1,545,758 | 18 |
| 8620 | Non-controlling interest | 107,268 | 1 | 70,243 | 1 |
| | | <u>\$ 820,762</u> | <u>11</u> | <u>\$ 1,616,001</u> | <u>19</u> |
| Comprehensive income attributable to: | | | | | |
| 8710 | Owners of the parent | \$ 801,964 | 10 | \$ 1,508,172 | 17 |
| 8720 | Non-controlling interest | 112,756 | 2 | 75,773 | 1 |
| | | <u>\$ 914,720</u> | <u>12</u> | <u>\$ 1,583,945</u> | <u>18</u> |
| Basic earnings per share (In dollars) | | | | | |
| 9750 | Basic earnings per share | <u>\$</u> | <u>6.06</u> | <u>\$</u> | <u>13.17</u> |
| 9850 | Diluted earnings per share | <u>\$</u> | <u>6.03</u> | <u>\$</u> | <u>13.09</u> |

The accompanying notes are an integral part of these consolidated financial statements.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| Equity attributable to owners of the parent | | | | | | | | | | | | | |
|---|------------------------------|---|---------------|-----------------|----------------------------------|--|---|---|-----------------|--------------|--------------------------|--------------|---------------|
| Notes | Retained Earnings | | | | | Other equity interest | | | | Total | Non-controlling interest | Total equity | |
| | Share capital - common stock | Capital surplus, additional paid-in capital | Legal reserve | Special reserve | Unappropriated retained earnings | Financial statements translation differences of foreign operations | Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income | Other equity – unearned employee compensation | Treasury shares | | | | |
| For the year ended December 31, 2021 | | | | | | | | | | | | | |
| | | \$ 1,182,202 | \$ 2,618,432 | \$ 598,016 | \$ 325,709 | \$ 3,259,603 | (\$ 233,124) | (\$ 11,576) | (\$ 12,369) | (\$ 226,857) | \$ 7,500,036 | \$ 88,367 | \$ 7,588,403 |
| | | - | - | - | - | 1,545,758 | - | - | - | - | 1,545,758 | 70,243 | 1,616,001 |
| | 6(23) | - | - | - | - | 61 | (50,205) | 12,558 | - | - | (37,586) | 5,530 | (32,056) |
| | 6(21) | - | - | - | - | 1,545,819 | (50,205) | 12,558 | - | - | 1,508,172 | 75,773 | 1,583,945 |
| Appropriations of 2020 earnings | | | | | | | | | | | | | |
| | | - | - | 146,665 | - | (146,665) | - | - | - | - | - | - | - |
| | | - | - | - | (81,009) | 81,009 | - | - | - | - | - | - | - |
| | | - | - | - | - | (1,040,756) | - | - | - | - | (1,040,756) | - | (1,040,756) |
| | | 280 | 1,367 | - | - | - | - | - | - | - | 1,647 | - | 1,647 |
| | | (40) | - | - | - | - | - | - | - | - | (40) | - | (40) |
| | | 7 | 193 | - | - | - | - | - | - | - | 200 | - | 200 |
| | 6(19)(23) | - | 18,385 | - | - | - | - | - | 12,369 | - | 30,754 | - | 30,754 |
| | | - | 8,243 | - | - | - | - | - | - | - | 8,243 | - | 8,243 |
| | | - | - | - | - | - | - | - | - | - | - | 1,341,347 | 1,341,347 |
| | | - | 366 | - | - | - | - | - | - | - | 366 | - | 366 |
| | | - | 268 | - | - | - | - | - | - | 108,070 | 108,338 | - | 108,338 |
| | | - | - | - | - | (533) | - | - | - | - | (533) | 533 | - |
| | | \$ 1,182,449 | \$ 2,647,254 | \$ 744,681 | \$ 244,700 | \$ 3,698,477 | (\$ 283,329) | \$ 982 | \$ - | (\$ 118,787) | \$ 8,116,427 | \$ 1,506,020 | \$ 9,622,447 |
| For the year ended December 31, 2022 | | | | | | | | | | | | | |
| | | \$ 1,182,449 | \$ 2,647,254 | \$ 744,681 | \$ 244,700 | \$ 3,698,477 | (\$ 283,329) | \$ 982 | \$ - | (\$ 118,787) | \$ 8,116,427 | \$ 1,506,020 | \$ 9,622,447 |
| | | - | - | - | - | 713,494 | - | - | - | - | 713,494 | 107,268 | 820,762 |
| | 6(23) | - | - | - | - | 257 | 95,421 | (7,208) | - | - | 88,470 | 5,488 | 93,958 |
| | 6(21) | - | - | - | - | 713,751 | 95,421 | (7,208) | - | - | 801,964 | 112,756 | 914,720 |
| Appropriations of 2021 earnings | | | | | | | | | | | | | |
| | | - | - | 154,529 | - | (154,529) | - | - | - | - | - | - | - |
| | | - | - | - | 37,647 | (37,647) | - | - | - | - | - | - | - |
| | | - | - | - | - | (1,050,014) | - | - | - | - | (1,050,014) | - | (1,050,014) |
| | | 159 | 709 | - | - | - | - | - | - | - | 868 | - | 868 |
| | 6(19)(23) | - | 5,030 | - | - | - | - | - | - | - | 5,030 | - | 5,030 |
| | | - | 14,266 | - | - | - | - | - | - | - | 14,266 | - | 14,266 |
| | | - | 204,044 | - | - | - | - | - | - | - | 204,044 | (204,044) | - |
| | | - | 15,962 | - | - | - | - | - | - | - | 15,962 | - | 15,962 |
| | | - | - | - | - | - | - | - | - | - | - | 577,500 | 577,500 |
| | | - | - | - | - | - | - | - | - | - | - | (21,755) | (21,755) |
| | | - | - | - | - | (30) | - | 30 | - | - | - | - | - |
| | | \$ 1,182,608 | \$ 2,887,265 | \$ 899,210 | \$ 282,347 | \$ 3,170,008 | (\$ 187,908) | (\$ 6,196) | \$ - | (\$ 118,787) | \$ 8,108,547 | \$ 1,970,477 | \$ 10,079,024 |

The accompanying notes are an integral part of these consolidated financial statements.

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|--|------------------|------------------------|------------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Profit before tax | | \$ 1,289,769 | \$ 2,009,451 |
| Adjustments | | | |
| Adjustments to reconcile profit (loss) | | | |
| Depreciation | 6(9)(10)(11)(29) | 556,473 | 451,088 |
| Amortisation | 6(29) | 70,970 | 12,045 |
| Expected credit impairment loss (profit) | 12(2) | 35,817 | (6,659) |
| Net gain on financial assets at fair value through profit or loss | 6(2)(27) | (14,598) | (37,552) |
| Loss (gain) on disposal of property, plant and equipment | 6(27) | (6,786) | 5,060 |
| Gain on disposal of investments | 6(27) | (2,532) | (116,877) |
| Interest income | 6(25) | (67,089) | (79,986) |
| Dividend income | 6(26) | (5,471) | (3,546) |
| Interest expense | 6(28) | 34,599 | 23,578 |
| Compensation cost arising from employee stock options | 6(19)(30) | 19,434 | 46,261 |
| Gains arising from lease modifications | 6(10)(27) | (409) | (44) |
| Share of profit of associates and joint ventures accounted for under the equity method | 6(8) | 4,875 | (6,036) |
| Changes in operating assets and liabilities | | | |
| Changes in operating assets | | | |
| Notes receivable | | 18,885 | (11,305) |
| Accounts receivable | | (64,127) | (249,410) |
| Accounts receivable - related parties | | 2,758 | 9,165 |
| Other receivables | | 2,367 | 20,668 |
| Other receivables - related parties | | (45) | - |
| Inventories | | (291,827) | (138,527) |
| Prepayments | | 95,527 | (93,715) |
| Other current assets | | 28,444 | (30,177) |
| Changes in operating liabilities | | | |
| Contract liabilities - current | | (37,032) | (169,676) |
| Notes payable | | (2,390) | 1,041 |
| Accounts payable | | (127,153) | 84,677 |
| Accounts payable - related parties | | (6,467) | (4,947) |
| Other payables | | (311,471) | 87,598 |
| Other payables - related parties | | (7) | 8 |
| Other current liabilities | | 36,624 | 41,003 |
| Cash inflow generated from operations | | 1,259,138 | 1,843,186 |
| Interest received | | 67,089 | 79,986 |
| Dividends received | | 5,471 | 3,546 |
| Interest paid | | (29,776) | (21,467) |
| Income tax paid | | (346,286) | (326,328) |
| Net cash flows from operating activities | | <u>955,636</u> | <u>1,578,923</u> |

(Continued)

TCI CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

| | Notes | Year ended December 31 | |
|---|-------|------------------------|----------------------|
| | | 2022 | 2021 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Acquisition of non-current financial assets at fair value through other comprehensive income | | (\$ 10,000) | (\$ 2,335) |
| Proceeds from disposal of non-current financial assets at fair value through other comprehensive income | 6(2) | 9,970 | - |
| Acquisition of property, plant and equipment | | (129,454) | (184,379) |
| Proceeds from disposal of property, plant and equipment | | 25,855 | 10,384 |
| (Increase) decrease in refundable deposits | 6(13) | (55) | 47 |
| Acquisition of intangible assets | | (8,781) | (3,717) |
| Decrease in other non-current assets | | 5,616 | 3,000 |
| Acquisition of financial assets at fair value through profit or loss | | (153,566) | (124,789) |
| Proceeds from disposal of financial assets at fair value through profit or loss | | 119,754 | 6,113 |
| Decrease (increase) in financial assets at amortised cost | | 901,429 | (1,020,566) |
| Increase in prepayments for purchase of equipment | | (264,033) | (508,955) |
| Net cash outflow on acquisitions of subsidiaries | 6(33) | - | (162,109) |
| Net cash inflow on disposals of subsidiaries | | 19,600 | - |
| Increase in investment accounted for using equity method | | (27,800) | - |
| Net cash flows from (used in) investing activities | | <u>488,535</u> | <u>(1,987,306)</u> |
| <u>CASH FLOWS FROM FINANCING ACTIVITIES</u> | | | |
| Proceeds from short-term borrowings | | 4,298,672 | 4,795,121 |
| Repayments of short-term borrowings | | (4,600,590) | (4,423,217) |
| Repayment of bonds | | - | (434,268) |
| Proceeds from long-term borrowings | | - | 963,530 |
| Lease liabilities paid | 6(10) | (59,702) | (39,693) |
| (Increase) decrease in guarantee deposits | | (477) | (89) |
| Cash dividends paid | | (1,050,014) | (1,040,756) |
| Employee stock options exercised | | 868 | 1,647 |
| Unvested redeemed stocks from restricted stocks to employees | 6(20) | - | (40) |
| Payments due to disgorgement | | - | 366 |
| Treasury stock transferred to employees | | - | 108,338 |
| Pension actuarial gains and losses | | 1,127 | - |
| Proceeds from capital increase of non-controlling interests | | 577,500 | 307,290 |
| Net cash flows (used in) from financing activities | | <u>(832,616)</u> | <u>238,229</u> |
| Effects due to changes in exchange rate | | 86,811 | 18,190 |
| Net increase (decrease) in cash and cash equivalents | | 698,366 | (151,964) |
| Cash and cash equivalents at beginning of year | 6(1) | 4,704,397 | 4,856,361 |
| Cash and cash equivalents at end of year | 6(1) | <u>\$ 5,402,763</u> | <u>\$ 4,704,397</u> |

The accompanying notes are an integral part of these consolidated financial statements.

Attachment 4

TEC Co., Ltd.
Profit Distribution Proposal
Year 2022



Unit: NT\$ thousand

| Item | Amount |
|---|---------------|
| Beginning retained earnings | 2,456,286,893 |
| Plus: Net Income of 2022 | 713,493,595 |
| Plus: Adjustment to Retained Earnings of 2022 | 227,289 |
| Less: 10% Legal Reserve | (71,372,088) |
| Plus: Reversal of Appropriated Retained Earnings | 88,242,843 |
| Earnings Available for Distribution | 3,186,878,532 |
| Distribution Item: | |
| Cash Dividends to Common Shareholders (NT\$5/share) | (591,304,150) |
| Unappropriated Retained Earnings | 2,595,574,382 |

Chairman: Yung-Hsiang Lin



CEO: Yung-Hsiang Lin



Accounting Manager: Chen-Chen Fu



Attachment 5

TCI Co., Ltd.

Table for Comparison of Amendments to the Articles of Incorporation with the Current Version

| Revised provision | Current provision | Reason and basis for the amendment |
|---|---|---|
| <p>Article 2</p> <p>1.C104010 Sugar Confectionery and Bakery Product Manufacturing</p> <p>2.C110010 Beverage Manufacturing</p> <p>3.C199990 Other Food Manufacturing Not Elsewhere Classified</p> <p>4.C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing</p> <p>5.C802100 Cosmetics Manufacturing</p> <p>6.CH01040 Toys Manufacturing</p> <p>7.CN01010 Furniture and Fixtures Manufacturing</p> <p>8.F102040 Wholesale of Nonalcoholic Beverages</p> <p>9.F102170 Wholesale of Food and Grocery</p> <p>10. F108040 Wholesale of Cosmetics</p> <p>11. F203010 Retail sale of Food and Grocery</p> <p>12. F208040 Retail Sale of Cosmetics</p> <p>13. F401010 International Trade</p> <p>14. F113010 Wholesale of Machinery</p> <p>15. F213080 Retail Sale of Machinery and Equipment</p> <p>16. F113990 Wholesale of Other Machinery and Equipment</p> <p>17. F213990 Retail Sale of Other Machinery and Equipment</p> <p>18. CE01990 Other Photographic and Optical Instruments Manufacturing</p> <p>19. F113030 Wholesale of Precision Instruments</p> <p>20. F213040 Retail Sale of Precision</p> | <p>Article 2:</p> <p>The scope of business of the Company shall be as follows:</p> <p>1.C104010 Sugar Confectionery and Bakery Product Manufacturing</p> <p>2.C110010 Beverage Manufacturing</p> <p>3.C199990 Other Food Manufacturing Not Elsewhere Classified</p> <p>4.C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing</p> <p>5.C802100 Cosmetics Manufacturing</p> <p>6.CH01040 Toys Manufacturing</p> <p>7.CN01010 Furniture and Fixtures Manufacturing</p> <p>8.F102040 Wholesale of Nonalcoholic Beverages</p> <p>9.F102170 Wholesale of Food and Grocery</p> <p>10. F108040 Wholesale of Cosmetics</p> <p>11. F203010 Retail sale of Food and Grocery</p> <p>12. F208040 Retail Sale of Cosmetics</p> <p>13. F401010 International Trade</p> <p>14. F113010 Wholesale of Machinery</p> <p>15. F213080 Retail Sale of Machinery and Equipment</p> <p>16. F113990 Wholesale of Other Machinery and Equipment</p> <p>17. F213990 Retail Sale of Other Machinery and Equipment</p> <p>18. CE01990 Other Photographic and Optical Instruments Manufacturing</p> <p>19. F113030 Wholesale of Precision</p> | <p>Amended to meet the operational needs of the Company</p> |

| Revised provision | Current provision | Reason and basis for the amendment |
|---|--|------------------------------------|
| <p>21. CE01010 Precision Instruments Manufacturing</p> <p>22. E601010 Electric Appliance Construction</p> <p>23. IG03010 Energy Technical Services</p> <p>24. D101060 self-usage power generation equipment utilizing renewable energy industry</p> <p>25. A101011 Seedling</p> <p>26. A101020 Food Crops</p> <p>25. A101030 Special Crops</p> <p>28. A101040 Edible Fungus and Algae</p> <p>26. A102050 Crops Cultivation</p> <p>27. A102060 Grain Commerce</p> <p>31. A201010 Deforestation</p> <p>32. A301030 Aquaculture</p> <p>28. C201010 Prepared Animal Feeds Manufacturing</p> <p>29. C201020 Pet Food Processing</p> <p>30. C801110 Fertilizer Manufacturing</p> <p>31. F101050 Wholesale of Aquatic Products</p> <p>32. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products</p> <p>33. F103010 Wholesale of Animal Feeds</p> <p>34. F106060 Wholesale of Pet Food and Appliances</p> <p>35. F107050 Wholesale of Manure</p> <p>36. F201010 Retail Sale of Agricultural Products</p> <p>37. F201030 Retail Sale of Aquatic Products</p> <p>38. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products</p> <p>39. F202010 Retail Sale of Animal Feeds</p> <p>40. F206050 Retail of Pet Food and Appliances</p> <p>41. F207050 Retail Sale of Manure</p> | <p>Instruments</p> <p>20. F213040 Retail Sale of Precision</p> <p>21. CE01010 Precision Instruments Manufacturing</p> <p>22. E601010 Electric Appliance Construction</p> <p>23. IG03010 Energy Technical Services</p> <p>24. D101060 self-usage power generation equipment utilizing renewable energy industry</p> <p>25. A101011 Seedling</p> <p>26. A101020 Food Crops</p> <p>27. A101030 Special Crops</p> <p>28. A101040 Edible Fungus and Algae</p> <p>29. A102050 Crops Cultivation</p> <p>30. A102060 Grain Commerce</p> <p>31. A201010 Deforestation</p> <p>32. A301030 Aquaculture</p> <p>33. C201010 Prepared Animal Feeds Manufacturing</p> <p>34. C201020 Pet Food Processing</p> <p>35. C801110 Fertilizer Manufacturing</p> <p>36. F101050 Wholesale of Aquatic Products</p> <p>37. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products</p> <p>38. F103010 Wholesale of Animal Feeds</p> <p>39. F106060 Wholesale of Pet Food and Appliances</p> <p>40. F107050 Wholesale of Manure</p> <p>41. F201010 Retail Sale of Agricultural Products</p> <p>42. F201030 Retail Sale of Aquatic Products</p> <p>43. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products</p> <p>44. F202010 Retail Sale of Animal Feeds</p> <p>45. F206050 Retail of Pet Food and</p> | |

| Revised provision | Current provision | Reason and basis for the amendment |
|--|--|------------------------------------|
| <p><u>42. J101020 Pathogen Controlling Services</u></p> <p><u>43. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval</u></p> | <p>Appliances</p> <p>46. F207050 Retail Sale of Manure</p> <p>47. J101020 Pathogen Controlling Services</p> <p>48. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval</p> | |
| <p>Article 20: These Articles of Incorporation were constituted on August 8, 1980. The first amendment on August 16, 1981; The second amendment on April 20, 1983; The third amendment on April 24, 1989; The fourth amendment on October 6, 1989; The fifth amendment on March 13, 1990; The sixth amendment on May 1, 1991; The seventh amendment on May 10, 1993; The eighth amendment on November 21, 1993; The ninth amendment on May 27, 1997; The tenth amendment on November 6, 1997; The eleventh amendment on June 14, 2001; The twelfth amendment on November 1, 2002; The thirteenth amendment on March 19, 2004; The fourteenth amendment on April 13, 2005; The fifteenth amendment on July 25, 2006; The sixteenth amendment on May 10, 2010; The seventeenth amendment on May 14, 2010; The eighteenth amendment on June 17, 2011; The nineteenth amendment on March 16, 2012; The twentieth amendment on June 29, 2012;</p> | <p>Article 20: These Articles of Incorporation were constituted on August 8, 1980. The first amendment on August 16, 1981; The second amendment on April 20, 1983; The third amendment on April 24, 1989; The fourth amendment on October 6, 1989; The fifth amendment on March 13, 1990; The sixth amendment on May 1, 1991; The seventh amendment on May 10, 1993; The eighth amendment on November 21, 1993; The ninth amendment on May 27, 1997; The tenth amendment on November 6, 1997; The eleventh amendment on June 14, 2001; The twelfth amendment on November 1, 2002; The thirteenth amendment on March 19, 2004; The fourteenth amendment on April 13, 2005; The fifteenth amendment on July 25, 2006; The sixteenth amendment on May 10, 2010; The seventeenth amendment on May 14, 2010; The eighteenth amendment on June 17, 2011; The nineteenth amendment on March 16, 2012; The twentieth amendment on June 29, 2012;</p> | <p>Date of new amendments</p> |

| Revised provision | Current provision | Reason and basis for the amendment |
|--|---|------------------------------------|
| <p>The twenty-first amendment on May 30, 2014;</p> <p>The twenty-second amendment on October 6, 2014;</p> <p>The twenty-third amendment on May 29, 2015;</p> <p>The twenty-fourth amendment on June 6, 2016;</p> <p>The twenty-fifth amendment on May 19, 2017;</p> <p>The twenty-sixth amendment on May 18, 2018;</p> <p>The twenty-seventh amendment on June 18, 2020;</p> <p>The twenty-eighth amendment on June 29, 2021.</p> <p>The twenty-ninth amendment on June 29, 2022.</p> <p><u>The thirtieth amendment June 27, 2023.</u></p> | <p>The twenty-first amendment on May 30, 2014;</p> <p>The twenty-second amendment on October 6, 2014;</p> <p>The twenty-third amendment on May 29, 2015;</p> <p>The twenty-fourth amendment on June 6, 2016;</p> <p>The twenty-fifth amendment on May 19, 2017;</p> <p>The twenty-sixth amendment on May 18, 2018;</p> <p>The twenty-seventh amendment on June 18, 2020;</p> <p>The twenty-eighth amendment on June 29, 2021.</p> <p>The twenty-ninth amendment on June 29, 2022.</p> | |

Attachment 6**Removal of Non-Competition Restrictions for Directors****Yung-Hsiang Lin**

| Company Name | Title |
|--------------------------------------|--|
| Maxigen Biotech Inc. | Chairman (TCI Co., Ltd. Legal Director Representative) Chief Strategy Officer |
| TCI GENE INC. | Chairman (TCI Co., Ltd. Legal Director Representative) |
| TCI Living Co., Ltd. | Chairman (TCI GENE INC. Legal Director Representative) |
| TCI LIVING Shanghai Co., LTD. | Director |
| Taiwan TCI Firstek Corp. | Chairman (TCI Co., Ltd. Legal Director Representative) General Manager |
| BioTrade, Shanghai BioTech Group | Chairman |
| BioFunction, Shanghai BioTech Group | Chairman |
| BioCosme, Shanghai BioTech Group | Executive Director |
| BioScience, Shanghai BioTech Group | Executive Director General Manager |
| Genetech, Shanghai Biotech Group | Executive Director |
| Maxigen Biotech Inc. (Shanghai) | Chairman |
| HORAY INC. | Chairman (Maxigen Biotech Inc. Legal Director Representative) |
| BioCosme Co., Ltd. | Chairman (TCI Co., Ltd. Legal Director Representative) |
| SMY INTERNET OF PACKAGE CO., LTD. | Chairman (Yung Jiang Investment Co. Legal Director Representative) |
| Quantum Biology Inc. | Chairman (TCI Co., Ltd. Legal Director Representative) |
| Petfood Biotechnology Co., Ltd. | Chairman (TCI Co., Ltd. Legal Director Representative) |
| Scientific American Taiwan Co., Ltd. | Chairman (Yung Jiang Investment Co. Legal Director Representative) |
| TCI BIOTECH LLC | Director |
| TCI BIOTECH USA LLC | Director |
| TCI Biotech Netherlands B.V. | Director |
| TCI JAPAN CO., LTD. | Director |
| TCI HK LIMITED | Director |
| GLUX HK LIMITED | Director |