

Stock Code: 8436



**大江生醫股份有限公司**  
**T C I C o . , L t d**

**Handbook for the 2024**  
**Annual Shareholders' Meeting**

Meeting time: June 25, 2024 (Tuesday), 9:00AM

Address: No. 12, Shennong Rd., Dehe Vil., Changzhi Township, Pingtung County 908

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## **I. Meeting Procedures**

### **TCI Co., Ltd. The 2024 Shareholders' Meeting**

1. Call the Meeting to Order
2. Chairman Remarks
3. Management Presentation (Company Reports)
4. Matters for Ratification
5. Election Matters
6. Other Matters
7. Extempore Motions
8. Adjournment

## II. Meeting Agenda

### TCI Co., Ltd. The 2024 Shareholders' Meeting

**Meeting time:** June 25, 2024 (Tuesday), 9:00AM

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

**Chairperson:** Yung-Hsiang Lin

**Meeting Method:** In-person Shareholder' s Meeting

1. Call the Meeting to Order
2. Chairman Remarks
3. Management Presentation (Company Reports)
  - (1) 2023 Business Report
  - (2) 2023 Audit Committee's Review Report
3. 2023 Director's Compensation and Employee Profit Sharing Plans
4. Matters for Ratification
  - (1) Adoption of the 2023 Business Report and Financial Statements
  - (2) Adoption of the Proposal for Distribution of 2023 Profits
5. Election Matters
  - (1) Proposal to fill a vacant board member seat
6. Other Matters
  - (1) Proposal for the Removal of Restrictions on New Directors and their Representatives from Engaging in Competitive Activities
7. Extempore Motions
8. Adjournment

### **III. Management Presentation (Company Reports)**

#### **Report No.1**

2023 Business Report

Explanation: The 2023 Business Report is attached as pp. 7-9, Attachment 1.

#### **Report No.2**

2023 Audit Committee's Review Report

Explanation: The 2023 Audit Committee's Review Report is attached as pp. 10, Attachment 2.

#### **Report No.3**

2023 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 15, 2024. The amount of 2023 directors' compensation is NT\$4,200,000, and the amount of 2023 employees' profit-sharing bonus is NT\$117,054,175. The compensation and the profit-sharing bonus will be distributed by cash and shall be distributed through one or several payments.

## **IV. Matters for Ratification**

### **1. Proposed by the Board**

Proposal: Adoption of the 2023 Business Report and Financial Statements

Explanation:

- (1) TCI Co., Ltd.'s 2023 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 15, 2024.
- (2) The 2023 Business Report, Independent Auditors' Report, Financial Statements, and Consolidated Financial Statements are attached as pp. 7-9, Attachment 1, and pp. 11-32, Attachment 3.
- (3) Please resolve.

Resolution:

### **2. Proposed by the Board**

Proposal: Adoption of the Proposal for Distribution of 2023 Profits

Explanation:

- (1) The 2023 Profit Distribution Proposal is attached as pp.33, Attachment 4.
- (2) The Board of Directors approved the proposal to distribute this year's earnings as cash dividends on March 15, 2024. Based on the current total number of issued shares, which is 118,260,830 shares minus 532,000 treasury shares, totaling 117,728,830 shares, a cash dividend of NT\$7 per share is planned to be distributed, amounting to NT\$824,101,810. 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) If changes in the capital affect the number of outstanding shares and alter the dividend distribution rate for shareholders', the Chairman of the Board is authorized to make adjustments and set the ex-dividend date along with other related distribution matters.
- (3) The distribution will be based on the number of shares recorded in the shareholder register on the ex-dividend date.
- (4) Please resolve.

Resolution:

## V. Election Matters

### 1. Proposed by the Board

Proposal: Proposal to fill a vacant board member seat. Please discuss.

Explanation:

- (1) One of the Company's directors, Dydo Group Holdings, Inc., transferred more than half of its shares on April 15, 2024, resulting in the automatic dismissal of its directorship according to the law. A new director will be elected at the Company's annual shareholders' meeting on June 25, 2024. The term of the newly elected director will be from June 25, 2024, to June 26, 2026.
- (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 by-election of one director for this term is as follows:

**List of Candidates for Directors**

Candidate Category	Candidate Name	Educational Background and Work Experience	Current Occupation
Director	Maxigen Biotech Inc. Legal Director Representative Ching-Ting Chen	Master of Chemistry, National Taiwan University Bachelor of Chemistry, National Tsing Hua University Director, TCI Gene Inc. Research & Design Center R&D Director, TCI Co., Ltd. Product Design Department Assistant Manager, TCI Co., Ltd.	Director of Maxigen Biotech Inc. General Manager, Maxigen Biotech Inc.

- (3) Please elect.

Resolution:

## **VI. Other Matters**

### **1. Proposed by the Board**

Proposal: Proposal for the Removal of Restrictions on New Directors and their Representatives from Engaging in Competitive Activities.

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 Conduct act to the shareholders' meeting and obtain permission.”
- (2) In view of the fact that the new Directors after the re-election of the 2024 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 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 Page 39 (Attachment 5) of this Handbook.
- (3) Please discuss.

Resolution:

## **VII. Extempore Motions**

## **VIII. Adjournment**



## Attachment 1

# Business Report

Dear Shareholders,

In 2023, TCI accelerated its internationalization efforts and actively expanded into multiple markets. It has now invested resources in the European, American, and Southeast Asian markets, gradually achieving significant success. 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, revenue contributions from Europe and U.S. continue to grow. We will achieve more long-term performance in the European and U.S. markets in the future.

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.

The Company continues to emphasize "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 due to integrate with the United Nations sustainable development goals SDGs and have been recognized by third-party evaluation organizations. TCI ranked among the top 14% of the global industry leaders in the 2023 S&P Corporate Sustainability Assessment. Additionally, in the 9th Corporate Governance Evaluation, the company was honored with an excellent ranking in the top 5% of OTC-listed companies. 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 the Company achieve steady long-term growth.

Looking ahead to 2024, TCI will continue to create and deliver value, translating into better financial performance. We are fully committed to the following 8 main aspects:

### **1. Accelerate Global Trade and Continuously Listen to Market Demands**

Accelerate globalization efforts and expand into the Vietnam and India markets.

Continuously listen to the needs of suppliers and customers to understand differences and identify key demands.

## **2. Innovative Breakthrough - Join & Delight**

Achieve innovation breakthroughs to create superior and efficient products that stimulate consumer demand in daily life.

## **3. Information Security and Convenience**

As technology advances, stronger cybersecurity threats emerge. However, the convenience and application of information are inseparable from daily life. We will establish a more secure information security system and environment to provide faster, more precise, and reliable services.

## **4. Global Talent Recruitment and Reserve**

Effectively manage, utilize, and organize key talents to enhance the company's competitive advantage. Talent reserves will increase to over 120% of the Group's workforce, building a development system with international vision, professional skills, and practical abilities. This will comprehensively enhance competence levels and provide a strong, continuous stream of talent for the Group's development.

## **5. Comprehensive Enhancement of Intelligence and Efficiency**

All processes will be comprehensively efficient and intelligent. In the future, this will include hardware equipment, manufacturing, procurement, business development, product design, marketing strategies, and applications of AI and ChatGPT.

## **6. Effective Cost Control and Better Gross Profit**

Continuously control costs effectively to reduce operational losses. We aim to create higher operating profits and gross margins through negotiation and cost savings, bringing maximum profits to the Company and its shareholders.

## **7. Layout for the Present, Vision for the Future**

In the future, TCI will continuously implement environmental protection, social responsibility, and corporate governance globally, aiming to become a global green enterprise and advance towards long-term sustainability goals.

## **8. Seek Opportunities and Focus on Mergers and Acquisitions**

Combine talent reserve mechanisms and continuously strengthen recruitment, enriching the workforce globally. Persistently seek ideal merger and acquisition opportunities to expand the Group's global footprint and create better operational synergy, aiming to become the world's number one CDMO for health supplements and wellness products.

Looking ahead to 2024, we will bring products to market in multiple countries worldwide as quickly as possible with the highest efficiency while maintaining high quality, creating mutual benefits, and win-win situations with our customers.

Good corporate governance, supplemented by internationally aligned measures and excellent performance, has strengthened the Company's resilience in facing risks. This has solidified future competitiveness and helped the company achieve steady long-term growth, moving towards becoming the world leader.

## 2023 Financial Performance

### (1) Operational Results:

Unit: NT\$ thousand

TCI Co., Ltd.				
Consolidated Income Statement				
Item	2023	2022	Difference	%
Net Revenue	8,015,649	7,432,514	583,135	8%
Operating Costs	(4,799,114)	(4,297,047)	(502,067)	12%
Gross Profit	3,216,535	3,135,467	81,068	3%
Operating Expenses	(2,161,937)	(2,109,365)	(52,572)	2%
Income from Operations	1,054,598	1,026,102	28,496	3%
Other Operating Income and Expenses	120,097	263,667	(143,570)	-54%
Pre-tax Income	1,174,695	1,289,769	(115,074)	-9%
Income Tax Expense	(182,631)	(469,007)	286,376	-61%
Net Income	992,064	820,762	171,302	21%
Net income attributable to parent company	896,258	713,494	182,764	26%
Net income attributable to noncontrolling interests	95,806	107,268	(11,462)	-11%

### (2) Analysis of Financial Performance

1. In 2023, TCI's net revenue totaled NT\$8.015649 billion, an increase of 8 percent compared with the NT\$7.432514 billion in 2022; the income from operations totaled NT\$1.054598 billion, an increase of 3 percent compared with the NT\$1.026102 billion in 2022; the net income totaled NT\$0.992064 billion, an increase of 21 percent compared with the NT\$0.820762 billion in 2022.
2. In 2023, the gross profit margin was 40.13%, down 2.06% compared with 42.19% in 2022; the operating income margin was 13.16%, down 0.65% compared with 13.81% in 2022; the profit margin was 12.38%, up 1.34% compared with 11.04% in 2022.
3. In 2023, the earnings per share was NT\$ 7.73, up 27.56% compared with NT\$6.06 in 2022.

Chairman: Yung-Hsiang Lin



CEO: Yung-Hsiang Lin



Accounting Manager: Chen-Chen Fu



## **Audit Committee Report**

The Board of Directors has prepared the Company's 2023 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  
2024 Annual Shareholders' Meeting of TCI Co., Ltd.

TCI Co., Ltd.

Chairman of the Audit Committee:

Sung-Yuan Liao



May 9, 2024

## 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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 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.

#### ***Basis for opinion***

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 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(27) for accounting policies on revenue recognition and Note 6(21) 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 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 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 the 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 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 15, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and 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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	1,024,426	9	\$	1,162,811	10
1110	Financial assets at fair value through profit or loss - current	6(2)		79,330	1		184,805	1
1136	Current financial assets at amortised cost	6(4)		6,966	-		10,380	-
1150	Notes receivable, net	6(5)		10,887	-		11,184	-
1170	Accounts receivable, net	6(5)		330,298	3		209,408	2
1180	Accounts receivable - related parties	7		762,843	7		1,041,513	9
1200	Other receivables			18,896	-		31,106	-
1210	Other receivables - related parties	7		90,114	1		97,047	1
130X	Inventories	6(6)		552,080	5		638,612	5
1410	Prepayments			147,070	1		134,358	1
1470	Other current assets			40,959	-		32,980	-
11XX	Total current assets			3,063,869	27		3,554,204	29
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		17,003	-		19,696	-
1550	Investments accounted for using equity method	6(7)		4,533,360	40		4,443,318	37
1600	Property, plant and equipment	6(8)		3,759,382	33		3,575,910	30
1755	Right-of-use assets	6(9)		1,059	-		7,414	-
1780	Intangible assets	6(10)		7,859	-		15,169	-
1840	Deferred income tax assets	6(28)		23,581	-		20,823	-
1900	Other non-current assets	6(11)		32,722	-		473,511	4
15XX	Total non-current assets			8,374,966	73		8,555,841	71
1XXX	Total assets		\$	11,438,835	100	\$	12,110,045	100

(Continued)

TCI CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12)	\$ 350,000	3	\$ 1,146,320	10
2130	Current contract liabilities	6(21)	225,373	2	217,957	2
2150	Notes payable		52	-	-	-
2170	Accounts payable		506,651	4	565,061	5
2180	Accounts payable - related parties	7	89,802	1	146,496	1
2200	Other payables	6(13)	543,701	5	419,364	3
2220	Other payables - related parties	7	35,222	-	30,994	-
2230	Current income tax liabilities		422,051	4	458,401	4
2280	Current lease liabilities		1,103	-	6,557	-
2320	Long-term liabilities, current portion	6(14)	200,000	2	650,000	5
2399	Other current liabilities, others		65,829	-	36,481	-
21XX	Total current liabilities		2,439,784	21	3,677,631	30
Non-current liabilities						
2540	Long-term borrowings	6(14)	746,929	7	317,510	3
2570	Deferred income tax liabilities	6(28)	-	-	5,254	-
2580	Non-current lease liabilities		-	-	1,103	-
2600	Other non-current liabilities	6(7)	29,065	-	-	-
25XX	Total non-current liabilities		775,994	7	323,867	3
2XXX	Total liabilities		3,215,778	28	4,001,498	33
Equity						
	Share capital	6(17)				
3110	Share capital - common stock		1,182,608	10	1,182,608	10
	Capital surplus	6(18)				
3200	Capital surplus		2,900,420	25	2,887,265	24
	Retained earnings	6(19)				
3310	Legal reserve		970,582	8	899,210	7
3320	Special reserve		194,104	2	282,347	2
3350	Unappropriated retained earnings		3,491,839	31	3,170,008	26
	Other equity interest	6(20)				
3400	Other equity interest		( 283,533 )	( 2 )	( 194,104 )	( 1 )
3500	Treasury shares	6(17)	( 232,963 )	( 2 )	( 118,787 )	( 1 )
3XXX	Total equity		8,223,057	72	8,108,547	67
3X2X	Total liabilities and equity		\$ 11,438,835	100	\$ 12,110,045	100

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(21) and 7		\$ 4,994,176	100	\$ 4,957,274	100
5000 Operating costs	6(6)(15)(26)(27) and 7		( 3,155,777 )	( 63 )	( 2,880,108 )	( 58 )
5900 Net operating margin			1,838,399	37	2,077,166	42
5910 Unrealized profit from sales	6(7)		( 52,292 )	( 1 )	( 72,945 )	( 1 )
5920 Realized profit on from sales	6(7)		72,945	1	113,382	2
5950 Net operating margin			1,859,052	37	2,117,603	43
Operating expenses	6(15)(26)(27) and 7					
6100 Selling expenses			( 258,657 )	( 5 )	( 330,116 )	( 7 )
6200 General and administrative expenses			( 426,070 )	( 9 )	( 394,811 )	( 8 )
6300 Research and development expenses			( 348,473 )	( 7 )	( 350,839 )	( 7 )
6450 Impairment loss determined in accordance with IFRS 9	12(2)		( 4,501 )	-	-	-
6000 Total operating expenses			( 1,037,701 )	( 21 )	( 1,075,766 )	( 22 )
6900 Operating profit			821,351	16	1,041,837	21
Non-operating income and expenses						
7100 Interest income	6(22)		11,008	-	10,150	-
7010 Other income	6(23) and 7		18,266	1	21,809	1
7020 Other gains and losses	6(24)		( 13,174 )	-	111,037	2
7050 Finance costs	6(25)		( 39,000 )	( 1 )	( 29,852 )	( 1 )
7070 Share of profit (loss) of associates and joint ventures accounted for using equity method	6(7)		250,837	5	( 209,676 )	( 4 )
7000 Total non-operating income and expenses			227,937	5	( 96,532 )	( 2 )
7900 Profit before income tax			1,049,288	21	945,305	19
7950 Income tax expense	6(28)		( 153,030 )	( 3 )	( 231,811 )	( 5 )
8200 Profit for the year			\$ 896,258	18	\$ 713,494	14
Other comprehensive income (loss)						
Components of other comprehensive income that will not be reclassified to profit or loss						
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)		( \$ 2,693 )	-	( \$ 10,544 )	-
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(20)		5,743	-	3,593	-
Other comprehensive (loss) income that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations	6(20)		( 92,473 )	( 2 )	95,421	2
8300 Other comprehensive (loss) income for the year			( \$ 89,423 )	( 2 )	\$ 88,470	2
8500 Total comprehensive income for the year			\$ 806,835	16	\$ 801,964	16
Earnings per share (In dollars)	6(29)					
9750 Basic earnings per share			\$ 7.73		\$ 6.06	
9850 Diluted earnings per share	6(29)		\$ 7.68		\$ 6.03	

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Retained Earnings				Other equity interest				
							Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income			
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations		Treasury shares	Total equity
<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(20)	-	-	-	-	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(16)	159	709	-	-	-	-	-	-	868
Share-based payments	6(16)	-	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		\$ 1,182,608	\$ 2,887,265	\$ 899,210	\$ 282,347	\$ 3,170,008	( \$ 187,908 )	( \$ 6,196 )	( \$ 118,787 )	\$ 8,108,547
<u>For the year ended December 31, 2023</u>										
Balance at January 1, 2023		\$ 1,182,608	\$ 2,887,265	\$ 899,210	\$ 282,347	\$ 3,170,008	( \$ 187,908 )	( \$ 6,196 )	( \$ 118,787 )	\$ 8,108,547
Profit for the year		-	-	-	-	896,258	-	-	-	896,258
Other comprehensive income (loss) for the year	6(20)	-	-	-	-	6	( 92,473 )	3,044	-	( 89,423 )
Total comprehensive income (loss)		-	-	-	-	896,264	( 92,473 )	3,044	-	806,835
Appropriations of 2022 earnings										
Legal reserve		-	-	71,372	-	( 71,372 )	-	-	-	-
Special reserve		-	-	-	( 88,243 )	88,243	-	-	-	-
Cash dividends		-	-	-	-	( 591,304 )	-	-	-	( 591,304 )
Share-based payments	6(16)	-	5,017	-	-	-	-	-	-	5,017
Changes in equity of associates and joint ventures		-	8,138	-	-	-	-	-	-	8,138
Acquisition of parent company's share by subsidiaries recognized as treasury shares		-	-	-	-	-	-	-	( 114,176 )	( 114,176 )
Balance at December 31, 2023		\$ 1,182,608	\$ 2,900,420	\$ 970,582	\$ 194,104	\$ 3,491,839	( \$ 280,381 )	( \$ 3,152 )	( \$ 232,963 )	\$ 8,223,057

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit before tax		\$ 1,049,288	\$ 945,305
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(26)	383,193	363,501
Amortisation	6(10)(26)	7,310	7,072
Expected credit impairment loss	12(2)	4,501	-
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(24)	7,793 (	17,195 )
Interest expense	6(25)	39,000	29,852
Interest income	6(22)	( 11,008 ) (	10,150 )
Dividend income	6(23)	( 4,558 ) (	4,893 )
Compensation cost arising from employee stock options	6(16)(27)	6,501	5,950
Share of (profit) loss of subsidiaries accounted for under equity method	6(7)	( 250,837 )	209,676
Gain on disposal of property, plant and equipment	6(24)	( 10,244 ) (	5,529 )
Decrease (increase) in investments accounted for using equity method	6(24)	4,349 (	2,532 )
Realized profit from sales	6(7)	( 20,653 ) (	40,437 )
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		297	2,850
Accounts receivable		( 125,391 )	87,470
Accounts receivable - related parties		278,670 (	376,091 )
Other receivables		12,210 (	14,047 )
Other receivables - related parties		6,933 (	69,545 )
Inventories		86,532 (	150,173 )
Prepayments		( 12,712 ) (	1,361 )
Other current assets		( 7,979 )	20,967
Changes in operating liabilities			
Contract liabilities - current		7,416	39,157
Notes payable		52 (	1,440 )
Accounts payable		( 58,410 )	36,615
Accounts payable - related parties		( 56,694 ) (	62,182 )
Other payables		126,179 (	197,038 )
Other payables - related parties		4,228 (	12,949 )
Other current liabilities		<u>29,348</u>	<u>3,897</u>
Cash inflow generated from operations		1,495,314	786,750
Interest received		11,008	10,150
Dividends received		4,558	4,893
Interest paid		( 38,923 ) (	29,665 )
Income tax paid		( <u>197,392</u> ) (	<u>173,838</u> )
Net cash flows from operating activities		<u>1,274,565</u>	<u>598,290</u>

(Continued)

TCI CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<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		-	9,970
Increase in investments accounted for under equity method	6(7)	( 15,600 )	( 73,933 )
Earnings distribution of investments accounted for using equity method	6(7)	31,862	901,196
Proceeds from disposal of investments accounted for using the equity method		-	19,541
Acquisition of property, plant and equipment	6(30)	( 122,854 )	( 73,617 )
Proceeds from disposal of property, plant and equipment		19,155	18,675
Acquisition of intangible assets	6(10)	-	( 6,818 )
Acquisition of financial assets at fair value through profit or loss		( 38,510 )	( 153,566 )
Proceeds from disposal of financial assets at fair value through profit or loss		131,844	119,754
Decrease (increase) in financial assets at amortised cost	6(4)	3,414	( 10,380 )
Increase in prepayments for purchase of equipment		( 11,825 )	( 184,652 )
Decrease in refundable deposits	6(11)	4,403	256
Net cash flows from investing activities		<u>1,889</u>	<u>556,426</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayments of short-term borrowings		( 2,495,555 )	( 4,600,080 )
Repayments of long-term borrowings		( 218,383 )	-
Proceeds from short-term borrowings		1,699,235	4,298,162
Lease liabilities paid		( 6,634 )	( 6,993 )
Proceeds from long-term borrowings		197,802	-
Cash dividends paid		( 591,304 )	( 1,050,014 )
Employee stock options		-	868
Net cash flows used in financing activities		<u>( 1,414,839 )</u>	<u>( 1,358,057 )</u>
Net decrease in cash and cash equivalents		( 138,385 )	( 203,341 )
Cash and cash equivalents at beginning of year	6(1)	<u>1,162,811</u>	<u>1,366,152</u>
Cash and cash equivalents at end of year	6(1)	<u>\$ 1,024,426</u>	<u>\$ 1,162,811</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, 2023 and 2022, 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 material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 Financial Statement Audit and Attestation Engagements of 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 2023 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 2023 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 America, 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(30) 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, 2023 and 2022.

### ***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 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.

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 15, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 5,363,426	38	\$ 5,932,794	39
1110	Financial assets at fair value through profit or loss - current	6(2)	79,330	1	184,805	1
1136	Current financial assets at amortised cost	6(4) and 8	212,066	1	25,696	-
1150	Notes receivable, net	6(5)	25,738	-	42,778	-
1170	Accounts receivable, net	6(5)	943,434	7	974,639	7
1180	Accounts receivable - related parties	7	107	-	268	-
1200	Other receivables		28,355	-	47,616	1
1210	Other receivables - related parties	7	68	-	45	-
130X	Inventories	6(6)	941,308	7	1,169,199	8
1410	Prepayments	6(7)	246,092	2	181,133	1
1470	Other current assets		45,488	-	42,352	-
11XX	Total current assets		7,885,412	56	8,601,325	57
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	62,966	1	48,410	1
1550	Investments accounted for using equity method	6(8)	19,896	-	27,375	-
1600	Property, plant and equipment	6(9) and 8	4,940,470	35	4,866,995	32
1755	Right-of-use assets	6(10)	192,605	1	199,663	1
1760	Investment property, net	6(11)	-	-	22,063	-
1780	Intangible assets	6(12)	691,149	5	741,180	5
1840	Deferred income tax assets	6(30)	31,950	-	26,627	-
1900	Other non-current assets	6(13)	277,055	2	574,319	4
15XX	Total non-current assets		6,216,091	44	6,506,632	43
1XXX	Total assets		\$ 14,101,503	100	\$ 15,107,957	100

(Continued)

TCI CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(14)	\$ 350,000	3	\$ 1,146,320	8
2130	Current contract liabilities	6(23)	496,528	4	454,107	3
2150	Notes payable		686	-	595	-
2170	Accounts payable		734,188	5	729,866	5
2180	Accounts payable - related parties	7	2,903	-	895	-
2200	Other payables	6(15)	764,932	5	691,132	5
2220	Other payables - related parties	7	-	-	1	-
2230	Current income tax liabilities		563,771	4	619,366	4
2280	Current lease liabilities		64,005	-	63,559	-
2320	Long-term liabilities, current portion	6(17)	200,000	1	650,000	4
2399	Other current liabilities, others		103,000	1	135,226	1
21XX	Total current liabilities		3,280,013	23	4,491,067	30
Non-current liabilities						
2540	Long-term borrowings	6(17)	746,929	5	317,510	2
2570	Deferred income tax liabilities	6(30)	83,303	1	97,625	-
2580	Non-current lease liabilities		106,806	1	111,306	1
2600	Other non-current liabilities		6,510	-	11,425	-
25XX	Total non-current liabilities		943,548	7	537,866	3
2XXX	Total liabilities		4,223,561	30	5,028,933	33
Equity attributable to owners of parent						
	Share capital	6(19)				
3110	Share capital - common stock		1,182,608	8	1,182,608	8
	Capital surplus	6(20)				
3200	Capital surplus		2,900,420	21	2,887,265	19
	Retained earnings	6(21)				
3310	Legal reserve		970,582	7	899,210	6
3320	Special reserve		194,104	1	282,347	2
3350	Unappropriated retained earnings		3,491,839	25	3,170,008	21
	Other equity interest	6(22)				
3400	Other equity interest		( 283,533 )	( 2 )	( 194,104 )	( 1 )
3500	Treasury shares	6(19)	( 232,963 )	( 2 )	( 118,787 )	( 1 )
31XX	Equity attributable to owners of the parent		8,223,057	58	8,108,547	54
36XX	Non-controlling interest		1,654,885	12	1,970,477	13
3XXX	Total equity		9,877,942	70	10,079,024	67
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	Total liabilities and equity		\$ 14,101,503	100	\$ 15,107,957	100

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, 2023 AND 2022**  
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Sales revenue	6(23)		\$ 8,015,649	100	\$ 7,432,514	100
5000 Operating costs	6(6)(16)(28)(29) and 7		( 4,799,114)	( 60)	( 4,297,047)	( 58)
5900 Net operating margin			<u>3,216,535</u>	<u>40</u>	<u>3,135,467</u>	<u>42</u>
Operating expenses	6(9)(10)(11)(12)(28)(29)					
6100 Selling expenses			( 780,423)	( 10)	( 731,303)	( 10)
6200 General and administrative expenses			( 803,715)	( 10)	( 672,150)	( 9)
6300 Research and development expenses			( 573,009)	( 7)	( 670,095)	( 9)
6450 Impairment loss determined in accordance with IFRS9	12(2)		( 4,790)	-	( 35,817)	-
6000 Total operating expenses			<u>( 2,161,937)</u>	<u>( 27)</u>	<u>( 2,109,365)</u>	<u>( 28)</u>
6900 Operating profit			<u>1,054,598</u>	<u>13</u>	<u>1,026,102</u>	<u>14</u>
Non-operating income and expenses						
7100 Interest income	6(24)		95,822	1	67,089	1
7010 Other income	6(25)		67,881	1	83,122	1
7020 Other gains and losses	6(26)		10,223	-	152,930	2
7050 Finance costs	6(27)		( 46,350)	( 1)	( 34,599)	( 1)
7060 Share of loss of associates and joint ventures accounted for using equity method	6(8)		( 7,479)	-	( 4,875)	-
7000 Total non-operating income and expenses			<u>120,097</u>	<u>1</u>	<u>263,667</u>	<u>3</u>
7900 Profit before income tax			<u>1,174,695</u>	<u>14</u>	<u>1,289,769</u>	<u>17</u>
7950 Income tax expense	6(30)		( 182,631)	( 2)	( 469,007)	( 6)
8200 Profit for the year			<u>\$ 992,064</u>	<u>12</u>	<u>\$ 820,762</u>	<u>11</u>
<b>Other comprehensive (loss) income</b>						
<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311 Gains on remeasurements of defined benefit plans			\$ 28	-	\$ 1,127	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(22)		10,987	-	( 2,590)	-
<b>Other comprehensive (loss) income that will be reclassified to profit or loss</b>						
8361 Financial statements translation differences of foreign operations	6(22)		( 92,898)	( 1)	95,421	1
8300 Total other comprehensive (loss) income for the year			<u>( \$ 81,883)</u>	<u>( 1)</u>	<u>\$ 93,958</u>	<u>1</u>
8500 Total comprehensive income for the year			<u>\$ 910,181</u>	<u>11</u>	<u>\$ 914,720</u>	<u>12</u>
Profit attributable to:						
8610 Owners of the parent			\$ 896,258	11	\$ 713,494	10
8620 Non-controlling interest			95,806	1	107,268	1
			<u>\$ 992,064</u>	<u>12</u>	<u>\$ 820,762</u>	<u>11</u>
Comprehensive income attributable to:						
8710 Owners of the parent			\$ 806,835	10	\$ 801,964	10
8720 Non-controlling interest			103,346	1	112,756	2
			<u>\$ 910,181</u>	<u>11</u>	<u>\$ 914,720</u>	<u>12</u>
Basic earnings per share (In dollars)	6(31)					
9750 Basic earnings per share			<u>\$ 7.73</u>		<u>\$ 6.06</u>	
9850 Diluted earnings per share			<u>\$ 7.68</u>		<u>\$ 6.03</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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
		Retained Earnings					Other equity interest					
							Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings			Treasury shares	Total	Non-controlling interest	Total equity
<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	\$ 1,506,020	\$ 9,622,447
Profit for the year		-	-	-	-	713,494	-	-	-	713,494	107,268	820,762
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	257	95,421	( 7,208 )	-	88,470	5,488	93,958
Total comprehensive income (loss)	6(21)	-	-	-	-	713,751	95,421	( 7,208 )	-	801,964	112,756	914,720
Appropriations of 2021 earnings												
Legal reserve		-	-	154,529	-	( 154,529 )	-	-	-	-	-	-
Special reserve		-	-	-	37,647	( 37,647 )	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 1,050,014 )	-	-	-	( 1,050,014 )	-	( 1,050,014 )
Exercise of employee stock purchase plans		159	709	-	-	-	-	-	-	868	-	868
Share-based payments		-	5,030	-	-	-	-	-	-	5,030	-	5,030
Changes in equity of associates and joint ventures		-	14,266	-	-	-	-	-	-	14,266	-	14,266
Transaction with non-controlling interests		-	204,044	-	-	-	-	-	-	204,044	( 204,044 )	-
Difference between consideration and carrying amount of subsidiaries acquired or disposed		-	15,962	-	-	-	-	-	-	15,962	-	15,962
Capital increase of non-controlling interests		-	-	-	-	-	-	-	-	-	577,500	577,500
Adjustment to non-controlling interests		-	-	-	-	-	-	-	-	-	( 21,755 )	( 21,755 )
Disposal of investment in equity instrument at fair value through other comprehensive income		-	-	-	-	( 30 )	-	30	-	-	-	-
Balance at December 31, 2022		\$ 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
<u>For the year ended December 31, 2023</u>												
Balance at January 1, 2023		\$ 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
Profit for the year		-	-	-	-	896,258	-	-	-	896,258	95,806	992,064
Other comprehensive income (loss) for the year	6(22)	-	-	-	-	6	( 92,473 )	3,044	-	( 89,423 )	7,540	( 81,883 )
Total comprehensive income (loss)	6(21)	-	-	-	-	896,264	( 92,473 )	3,044	-	806,835	103,346	910,181
Appropriations of 2022 earnings												
Legal reserve		-	-	71,372	-	( 71,372 )	-	-	-	-	-	-
Reversal of special reserve		-	-	-	( 88,243 )	88,243	-	-	-	-	-	-
Cash dividends		-	-	-	-	( 591,304 )	-	-	-	( 591,304 )	-	( 591,304 )
Share-based payments		-	5,017	-	-	-	-	-	-	5,017	-	5,017
Changes in equity of associates and joint ventures		-	8,138	-	-	-	-	-	-	8,138	-	8,138
Acquisition of parent company's share by subsidiaries recognized as treasury shares		-	-	-	-	-	-	-	( 114,176 )	( 114,176 )	( 385,908 )	( 500,084 )
Adjustment to non-controlling interests		-	-	-	-	-	-	-	-	-	( 33,030 )	( 33,030 )
Balance at December 31, 2023		\$ 1,182,608	\$ 2,900,420	\$ 970,582	\$ 194,104	\$ 3,491,839	(\$ 280,381 )	(\$ 3,152 )	(\$ 232,963 )	\$ 8,223,057	\$ 1,654,885	\$ 9,877,942

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, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		\$ 1,174,695	\$ 1,289,769
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(11)(28)	590,798	556,473
Amortisation	6(12)(28)	51,314	70,970
Expected credit impairment loss	12(2)	4,790	35,817
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(26)	7,793 (	14,598 )
Gain on disposal of property, plant and equipment	6(26)	( 10,731 ) (	6,786 )
Loss on disposal of investment property	6(26)	535	-
Loss (gain) on disposal of investments	6(26)	4,349 (	2,532 )
Interest income	6(24)	( 95,822 ) (	67,089 )
Dividend income	6(25)	( 14,368 ) (	5,471 )
Interest expense	6(27)	46,350	34,599
Compensation cost arising from employee stock options	6(18)(29)	14,194	19,434
Profit from lease modifications	6(10)(26)	( 149 ) (	409 )
Share of profit of associates and joint ventures accounted for under the equity method	6(8)	7,479	4,875
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		17,040	18,885
Accounts receivable		26,421 (	64,127 )
Accounts receivable - related parties		161	2,758
Other receivables		19,261	2,367
Other receivables - related parties	(	23 ) (	45 )
Inventories		227,891 (	291,827 )
Prepayments	(	65,082 )	95,527
Other current assets	(	3,136 )	28,444
Changes in operating liabilities			
Contract liabilities - current		42,421 (	37,032 )
Notes payable		91 (	2,390 )
Accounts payable		4,322 (	127,153 )
Accounts payable - related parties		2,008 (	6,467 )
Other payables		67,645 (	311,471 )
Other payables - related parties	(	1 ) (	7 )
Other current liabilities	(	32,226 )	36,624
Cash inflow generated from operations		2,088,020	1,259,138
Interest received		95,822	67,089
Dividends received		14,368	5,471
Interest paid	(	40,422 ) (	29,776 )
Income tax paid	(	252,562 ) (	346,286 )
Net cash flows from operating activities		1,905,226	955,636

(Continued)

TCI CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2023 AND 2022  
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
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		-	9,970
Acquisition of property, plant and equipment	6(32)	( 153,210 )	( 129,454 )
Proceeds from disposal of property, plant and equipment		21,032	25,855
Proceeds from disposal of investment property		22,590	-
Decrease (increase) in refundable deposits	6(13)	3,664	( 55 )
Acquisition of intangible assets		( 964 )	( 8,781 )
Decrease in other non-current assets		5,011	5,616
Acquisition of financial assets at fair value through profit or loss		( 38,510 )	( 153,566 )
Proceeds from disposal of financial assets at fair value through profit or loss		131,844	119,754
(Increase) decrease in financial assets at amortised cost	6(4)	( 186,370 )	656,776
Increase in prepayments for purchase of equipment		( 183,046 )	( 264,033 )
Net cash inflow on acquisition of subsidiaries		-	19,600
Increase in investment accounted for using equity method		-	( 27,800 )
Net cash flows (used in) from investing activities		( 377,959 )	243,882
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from short-term borrowings		1,699,235	4,298,672
Repayments of short-term borrowings		( 2,495,555 )	( 4,600,590 )
Proceeds from long-term borrowings		197,802	-
Lease liabilities paid		( 76,098 )	( 59,702 )
Redemption of long-term borrowings		( 218,383 )	-
Decrease in guarantee deposits		( 4,915 )	477
Cash dividends paid		( 591,304 )	( 1,050,014 )
Employee stock options		-	868
Pension actuarial gains and losses		-	1,127
Proceeds from capital increase of non-controlling interests		15,600	577,500
Acquisition of the Company's share by subsidiaries recognized as treasury shares		( 500,084 )	-
Net cash flows used in financing activities		( 1,973,702 )	( 832,616 )
Effects due to changes in exchange rate		( 122,933 )	86,811
Net (decrease) increase in cash and cash equivalents		( 569,368 )	453,713
Cash and cash equivalents at beginning of year	6(1)	5,932,794	5,479,081
Cash and cash equivalents at end of year	6(1)	\$ 5,363,426	\$ 5,932,794

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

#### Attachment 4

**TGI Co., Ltd.**  
**Profit Distribution Proposal**  
**Year 2023**

Unit: NT\$ thousand	
Item	Amount
Beginning retained earnings	2,595,574,382
Plus: Net Income of 2023	896,257,825
Plus: Adjustment to Retained Earnings of 2023	6,277
Less: 10% Legal Reserve	(89,626,410)
Less: Special surplus reserve withdrawn according to law	(104,789,865)
Earnings Available for Distribution	3,297,422,209
Distribution Item:	
Cash Dividends to Common Shareholders (NT\$7/share)	(824,101,810)
Unappropriated Retained Earnings	2,473,320,399

Chairman: Yung-Hsiang Lin



CEO: Yung-Hsiang Lin



Accounting Manager: Chen-Chen Fu



**Attachment 5**

**Removal of Non-Competition Restrictions for Directors**

**Ching-Ting Chen**

Company Name	Title
Maxigen Biotech Inc.	Director (TCI Co., Ltd. Legal Director Representative) General Manager

## Appendix I

### TCI Co., Ltd. Articles of Incorporation

#### Chapter I General Provisions

- Article 1 : The Company shall be incorporated as a company limited by shares, under the Company Law of the Republic of China, and its name shall be 大江生醫股份有限公司 in the Chinese language, and TCI Co., Ltd. in the English language.
- Article 2 : The scope of business of the Company shall be as follows:
1. C104010 Sugar Confectionery and Bakery Product Manufacturing
  2. C110010 Beverage Manufacturing
  3. C199990 Other Food Manufacturing Not Elsewhere Classified
  4. C307010 Apparel, Clothing Accessories and Other Textile Product Manufacturing
  5. C802100 Cosmetics Manufacturing
  6. CH01040 Toys Manufacturing
  7. CN01010 Furniture and Fixtures Manufacturing
  8. F102040 Wholesale of Nonalcoholic Beverages
  9. F102170 Wholesale of Food and Grocery
  10. F108040 Wholesale of Cosmetics
  11. F203010 Retail sale of Food and Grocery
  12. F208040 Retail Sale of Cosmetics
  13. F401010 International Trade
  14. F113010 Wholesale of Machinery
  15. F213080 Retail Sale of Machinery and Equipment
  16. F113990 Wholesale of Other Machinery and Equipment
  17. F213990 Retail Sale of Other Machinery and Equipment
  18. CE01990 Other Photographic and Optical Instruments Manufacturing
  19. F113030 Wholesale of Precision Instruments
  20. F213040 Retail Sale of Precision
  21. CE01010 Precision Instruments Manufacturing
  22. CF01011 Medical Materials and Equipment Manufacturing
  23. F108031 Wholesale of Drugs, Medical Goods
  24. F208031 Retail sale of Medical Equipments
  25. A101030 Special Crops
  26. A102050 Crops Cultivation
  27. A102060 Grain Commerce
  28. C201010 Prepared Animal Feeds Manufacturing
  29. C201020 Pet Food Processing
  30. C801110 Fertilizer Manufacturing
  31. F101050 Wholesale of Aquatic Products
  32. F101990 Wholesale of Other Agricultural, Husbandry and Aquatic Products
  33. F103010 Wholesale of Animal Feeds
  34. F106060 Wholesale of Pet Food and Appliances
  35. F107050 Wholesale of Manure

- 36. F201010 Retail Sale of Agricultural Products
- 37. F201030 Retail Sale of Aquatic Products
- 38. F201990 Retail Sale of Other Agricultural, Husbandry and Aquatic Products
- 39. F202010 Retail Sale of Animal Feeds
- 40. F206050 Retail of Pet Food and Appliances
- 41. F207050 Retail Sale of Manure
- 42. J101020 Pathogen Controlling Services
- 43. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval

- Article 2-1 : For the needs in business operation, the Company may provide endorsement and guarantee under TCI's Guideline Governing Loaning of Funds and Making of Endorsements/Guarantees.
- Article 2-2 : The total amount of the Company's reinvestment shall not be subject to the restriction of not more than forty percent of the Company's paid-up capital as provided in Article 13 of the Company Act.
- Article 3 : The headquarters of the Company is set in Taipei and may set a branches, offices, or factories domestically or overseas if necessary by resolution of the Board of Directors.
- Article 4 : The Company's announcement method shall follow Article 28 of the Company Act.

## **Chapter II Shares**

- Article 5 : Deleted.
- Article 6 : The total capital stock shall be in the amount of NT\$3,000,000,000 and is divided into 300,000,000 shares at par value of NT\$10.00 per share. The Board of Directors is authorized to issue those undistributed share in installments. Within the total registered capital, in the amount of NT\$100,000,000, divided into 10,000,000 shares at par value of NT\$10.00 per share, is reserved to be used in issuing employee stock options, and the reserved capital may be issued in installments according to the resolution of Board of Directors.
- Within the aforementioned capital amount, NT\$100 million will be reserved, divided into 10 million shares with a par value of NT\$10 per share. This reserve is designated for issuing employee stock warrants, which may be issued in installments upon resolution of the Board of Directors.
- Article 6-1 : In case the Company plans to issue employee stock options at price lower than market price of the net worth per share shown in the latest CPA audited or reviewed financial statements, according to Article 56-1 of the Regulation Governing the Offering and Issuance of Securities by Securities Issuer, the Company shall obtain consent of two-thirds voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares, and may be registered and issued in installments within one year from the day of such shareholders' meeting resolution.
- Article 6-2 : If allowed under the applicable laws the Company may repurchase the issued shares of the Company, the Board of Directors is authorized to handle it in accordance with "Guidelines Governing Share Repurchase."

According to Article 10-1 of “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies” and Article 13 of “Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies”, there shall have consent of two-thirds of voting rights represented at a shareholders’ meeting attended by shareholders representing a majority of the total issued shares. The shares shall be transferred to employee at the price lower than the average repurchased price.

Article 6-3 : The Company may issue new share of restricted stock awards pursuant to paragraph 8, Article 267 of Company Act and according to Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the issuance shall obtain consent of more than half of voting rights represented at a shareholders’ meeting attended by shareholders representing more than 2/3 of the total issued shares; in case the total shares of the attending shareholders is less than the above specified, it may be agreed by more than 2/3 of voting rights of attending shareholder of a shareholders’ meeting attended by shareholders representing a majority of the total issued shares and shall be filed to execute such issuance within one year after the date of the said shareholder resolution.

Article 6-4 : The subjects of the Company’s issuance of new shares with restricted employee rights shall include employees of affiliated companies who meet certain conditions.

Article 7 : The Company may be exempted from printing physical stocks. When the company prints its share certificate, it shall comply with the provisions of the Company Act of the Republic of China and other relevant laws and regulations.

Article 8 : Except otherwise provided under applicable laws or regulations, any the record of Shareholders Register shall cease within 60 days before convening of an annual shareholders’ meeting, or within 30 days before convening a special shareholders’ meeting or within 5 days before the reference day of the Company deciding distribution of share interests, dividend or other benefit.

Article 8-1 : Except as otherwise provided by applicable laws or regulations, the handling of shareholders services shall comply with the Regulations Governing the Administration of Shareholders Services of Public Company.

### **Chapter III Shareholders’ Meeting**

Article 9 : Shareholders’ meetings of the Company are of two types, namely: (1) annual shareholders’ meetings and (2) special shareholders’ meetings. Annual meetings shall be convened, by the Board of Directors, within six (6) months after the close of each fiscal year. Special meetings shall be convened in accordance with the relevant laws, rules and regulations of the Republic of China.

Article 9-1 : Except as otherwise provided by Company Act, the shareholders’ meetings shall be presided over by the Chairman of the Board of Directors of the Company. In his absence, either the Vice Chairman of the Board of Directors or one of the Directors shall preside in accordance with Article 208 of the Company Act.

Article 9-2 : Notices shall be sent to all shareholders at their latest places of residence as registered with the Company for the convening of shareholders’ meetings, at least

thirty (30) days in advance, in case of regular meetings; and at least fifteen (15) days in advance, in case of special meetings. The notice and announcement shall state the reason for the convening. The notice shall be given electronically with the consent of the relative parties. Notices shall be written in Chinese, and English when necessary.

Article 9-3 : Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The distribution of minutes may be made in public announcement. Minutes shall be made in Chinese and, English translation may be provided when it is necessary.

Article 10 : Shareholders unable to attend shareholders' meetings may provide a Shareholder Proxy Form printed by the Company, stating the scope of authorization, signed or affixed with seal and delegated person to attend.  
The rules for delegating an agent to attend shareholders' meetings other than complying with the regulations under Article 177 of Company Act, shall be pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

Article 11 : Each share of stock shall be entitled to one vote, but this shall not apply in the situation of no voting right under Article 179 of the Company Act.  
According to regulatory requirements, shareholders may also vote via an electronic voting system, and those doing so shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.

Article 12 : Except as otherwise provided by Company Act, Resolution of Shareholders' Meeting shall have attendance of shareholders representing more than half of total issued shares and shall have consent of more than half of voting rights of attending shareholders.  
If the number of shareholders present is less than the aforementioned quotas, but more than one-third of the total number of issued shares are represented by shareholders present, the Company shall comply with the provisions of Article 175 of the Company Act.

Article 12-1 : After the Company going into public, any revocation of public issuing, shall firstly be approved by the Board of Directors, and then be approved by the shareholders' meeting.

#### **Chapter IV Directors and Audit Committee**

Article 13 : The Company shall have five to nine directors with tenure of 3 years. The directors shall be elected from competent shareholders. The directors may be re-elected.  
When tenure of a director is expired but without new one elected, the tenure shall be extended to the time a new director is elected.  
Election of directors of the Company shall follow the provision under Article 192-1 of the Company Act, in candidate nomination system and provision under Article



26-3 of the Securities Exchange Act. Independent Directors and Non-Independent Directors shall be elected together; provided, however, the number of Independent Directors and Non-Independent Directors elected shall be calculated separately.

Pursuant to paragraph 3, Article 27 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies the Company has installed a Nomination Committee. The Nomination Committee reviews a Suggested Candidates of Independent and Non-Independent Directors List for approval of the Board of Directors to be the List of Candidates for election of shareholders' meeting.

The total shareholdings of all Directors of the Company shall be in accordance with the regulations of the competent securities authorities.

Article 13-1 : The number of independent director among the directors mentioned above shall not be less than two and shall not be less than one-fifth of entire board member. The professional qualification, shareholding, restriction on side line work, manner of nomination and election manner and other items to be complied shall following related provisions of securities competent agency.

Article 13-2 : In compliance with Article 14-4 of the Securities and Exchange Act, the Company shall establish an Audit Committee, which shall consist of all independent directors. The Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the Company Act, the Securities and Exchange Act and other relevant regulations. The number, tenure, duties and meeting regulations of Audit Committee shall be established separately per Audit Committee Organization Charter.  
The Board of Directors of the Company may set up other functional committees and the organization and its charter shall be established by the Board of Directors.

Article 14 : The Board of Directors shall be organized with directors and shall be elected by and among directors in a board meeting attended by more the two-third of directors and with consent of more than one-two of attending directors (Vice Chairman shall be elected in the aforementioned method if such election shall be deemed necessary). Chairman of the Board shall be representing the Company externally and internally and shall be the Chairman of Shareholders' Meeting and Board Meeting.  
The Board Meeting shall be convened by Chairman of the Board. In the event Chairman of the Board is unable to attend, the Board Meeting shall be convened by Vice Chairman or one of the directors on behalf pursuant to Article 208 of the Company Act. The first Board meeting of every term of the newly elected Board of Directors shall be convened by the Director who has received the largest number of votes after such new election.  
The Board of Directors shall be convened by the Chairman of the Board of Directors, upon written notice mailed to all the other Directors, at least seven days, unless in case of urgent circumstances, prior to the date of the meeting, specifying the date and place of the meeting and its agenda. With the consent of the directors, the board meeting notice may be made electronically.  
A director having individual interest in the item discussed in a board meeting, the director shall explain material content of the individual interest.

Directors shall attend each board meeting in person; in case a director is unable to attend in person, it shall be handled pursuant to Article 205 of the Company Act. Minutes of Board Meeting shall be affixed with signature or seal of Chairman of the meeting and shall be distributed to each director within 20 days after the meeting.

Article 15 : In case of the Chairman's personal leave or other causes preventing him/her from performing its duty, the deputy shall be arranged pursuant to Article 208 of the Company Act.

Article 15-1 : In the case that vacancies on the Board of Directors exceed, for any reason, one third of the total number of the Directors, then the Board of Directors shall convene a shareholders' meeting to elect new Directors to fill such vacancies in accordance with Article 201 of the Company Act. In such case, the new Directors shall serve the remaining term of the predecessors.

Article 15-2 : The Company shall pay the salary to each director no matter the Company's status of profit or loss. The Board of Directors is authorized to determine the salary for the Chairman, Vice Chairman and Directors, taking into account the extent and value of the services provided for the management of the Company and the standards of the industry.

Article 15-3 : The Company may subscribe to Directors and Officers Liability Insurance to cover the liability of compensation within the scope of business performed by the directors within their tenure.

#### **Chapter V Management of the Company**

Article 16 : The Company may appoint managers, and the appointment, removal and remuneration shall be handled in accordance with Article 29 of the Company Act.

#### **Chapter VI Accounting**

Article 17 : The Company shall compile and prepare at the end of each fiscal year and 30 days before convening of an annual shareholders' meeting by the Board of Directors: (1) Business Report, (2) Financial Statements and (3) Proposal Concerning Appropriation of Earnings or Covering of Losses and submit to Shareholders' Meeting as required under law and request for recognition.

Article 18 : If there is any profit for a specific fiscal year (profits are defined as the income before income tax excluding employees' compensation and remuneration to Directors), the Company shall allocate no less than 5% (and no more than 15%) of the profit as employees' compensation and shall allocate at a maximum of 3% of the profit as remuneration to Directors, provided that the Company's accumulated losses (including the amount for re-allocating unappropriated retained earnings of previous years) shall have been covered in advance. Employee's compensation may be distributed in the form of shares or in cash, and employees qualified to receive such compensation may include employees from affiliates companies who meet certain qualification. The Board of Directors is authorized to determine the qualification of such employees. The remuneration to Directors shall be paid in cash.

Before the execution of the procedures mentioned in the preceding two paragraphs, the Company has to obtain the special resolution of the Board of Directors and submit it to the upcoming shareholder's meeting.

Article 18-1 : When allocating the earnings for each fiscal year if there is earnings after the annual final accounts, the Company shall first offset its losses in previous years and set aside relevant taxes a legal capital reserve at 10% of the earnings left over, until the accumulated legal capital reserve has equaled the total capital of the Company; If there is still balance of earning, together with the undistributed earnings (including adjusted undistributed earnings) to calculate earnings distributable and the Board of Directors shall prepare Earnings Distribution Proposal for resolution of Shareholders' Meeting and distribute it after the Resolution of Shareholders' Meeting.

In accordance with Article 240 of the Company Act, the Company may authorize the distributable dividends and bonuses, or legal reserve and capital reserve, as stipulated in Article 241 of the Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. The provisions of the preceding paragraph that shall be resolved by the shareholders' meeting are not applicable.

Article 18-2 : The industry the Company is engaged is at its growth stage and the competition is keener day by day. To maintain sustainable operation, growth of operation, capital needs and long-term financial planning as well as taking consideration of shareholders interest, 30% to 80% of distributable earning each year will be provided for distribution as shareholders dividend. Dividends for shareholders of the Company may be in stock dividend or in cash or combination of them. Cash dividend for shareholders shall basically be no less than 10% of total dividend for shareholders; however, when the Company has higher earnings or capital funds are sufficient, cash dividend ratio for shareholders may be increased. It depends on the earnings of the year.

## **Chapter VII      Supplementary Provisions**

Article 19 : All matters not specifically provided for herein shall be dealt with in accordance with the regulations of the Company Act.

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;  
The twenty-first amendment on May 30, 2014;  
The twenty-second amendment on October 6, 2014;  
The twenty-third amendment on May 29, 2015;  
The twenty-fourth amendment on June 6, 2016;  
The twenty-fifth amendment on May 19, 2017;  
The twenty-sixth amendment on May 18, 2018;  
The twenty-seventh amendment on June 18, 2020;  
The twenty-eighth amendment on June 29, 2021.  
The twenty-ninth amendment on June 29, 2022.  
The thirtieth amendment June 27, 2023.

TCI Co., Ltd.



Responsible Person: Yung-Hsiang Lin



## Appendix II

### **TCI Co., Ltd. Rules of Procedure of the Shareholders' Meeting**

#### Article 1 Basis of Provision

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders' meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

#### Article 2 The rules of procedures for this Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

#### Article 3 Convening Shareholders' Meetings, Meeting Notices, and Proposals

1. Unless otherwise provided by law or regulation, the Company's shareholders' meetings shall be convened by the Board of Directors.
2. Any change in the manner of holding a shareholders' meeting shall be resolved by the Board of Directors and shall be made at the latest before the mailing of the notice of the shareholders' meeting.
3. The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting. However, if the Company's paid-in capital reached NT\$10 billion or more as of the end of the most recent fiscal year, or if the total percentage of foreign-invested and Republic of China-invested shares recorded in the shareholders register at the most recent annual general shareholders' meeting reached 30% or more, the Company shall complete the transmission of the electronic record before the shareholders' meeting 30 days prior to the meeting. 15 days before the date of the shareholders' meeting the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders' meeting:
  - (1) For physical shareholders' meetings, to be distributed on-site at the meeting.
  - (2) For hybrid shareholders' meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - (3) For virtual-only shareholders' meetings, electronic files shall be shared on the virtual meeting platform.

4. The notice and announcement shall state the reason for the convening. The notice shall be given electronically with the consent of the relative parties.
5. Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the reasons for convening the shareholders' meeting. None of the above matters may be raised by an extempore motion.
6. A shareholder holding 1 percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders' meeting. However, each motion shall be limited to one motion, and any motion with more than one proposal shall not be included. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda.
7. A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.
8. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.
9. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders' meeting and take part in discussion of the proposal.
10. Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders' meeting the Board of Directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

#### Article 4 Proxy for Annual Shareholders' Meeting(s)

1. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.
2. A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders' meeting and shall deliver the proxy form to the Company 5 days

before the date of the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

3. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
4. After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting through virtual conference, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

#### Article 5 Time and Place of a Shareholders' Meeting

The venue for a shareholders' meeting shall be the premises of the Company, factory, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. When the Company holds a virtual shareholders' meeting, the Company shall not be restricted from holding the aforementioned meeting.

#### Article 6 Setting of Documents such as the Attendance Book

1. The Company shall specify in its shareholders' meeting notices the time during which attendance registrations for shareholders, solicitors and proxies will be accepted, the place to register for attendance, and other matters for attention.
2. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.
3. Shareholders shall attend shareholders' meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
4. The Company shall furnish the attending shareholders and their proxies (collectively, "shareholders") with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
5. The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

6. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.
7. In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.
8. In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

**Article 6-1 Convening Virtual Shareholders' Meetings and Particulars to be Included in Shareholders' Meeting Notice**

The Company shall convene a virtual shareholders' meeting of the shareholders' general meeting, and the shareholders' meeting notice shall include the following matters:

1. How shareholders attend the virtual meeting and exercise their rights.
2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (1) If the previously mentioned obstacles persist and cannot be resolved, leading to the need to postpone or continue the meeting, the time for such postponement or continuation, as well as the date for the postponed or continued meeting, shall be determined.
  - (2) Shareholders who have not registered to participate by virtual in the original meeting are not permitted to participate in the adjourned or renewed meeting.
  - (3) When holding a shareholders' meeting with virtual conferencing assistance, if the virtual conference cannot continue, the meeting shall proceed if the total number of shares represented, excluding those participating via virtual conferencing, meets the legal quorum for the shareholders' meeting. The shares of those who participated via virtual conference shall be counted towards the total number of shares represented at the meeting. However, they will be considered as abstaining from all proposals discussed at that meeting.
  - (4) Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.
3. To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

**Article 7 Chairperson and Attendees of the Shareholder Meeting**

1. If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the Chairman of the Board. When the Chairman of the Board is on leave or for any reason unable to exercise the powers of the Chairman, the vice Chairman shall act in place of the Chairman; if there is no vice Chairman or the vice Chairman also is on leave or for any reason unable to exercise the powers of the vice Chairman,



the Chairman shall appoint one of the managing directors to act as chairperson, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairperson.

2. When a managing director or a director serves as chairperson, as referred to in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chairperson.
3. It is advisable that shareholders' meetings convened by the Board of Directors be chaired by the Chairman of the Board in person and attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
4. If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.
5. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity.

#### Article 8 Documentation of a Shareholders' Meeting by Audio or Virtual

1. The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and virtual recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.
2. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.
3. Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and virtual record, without interruption, the proceedings of the virtual meeting from beginning to end. The information and audio and virtual recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and virtual recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
4. In case of a virtual shareholders' meeting, the Company is advised to audio and virtual record the back-end operation interface of the virtual meeting platform.

#### Article 9 Calculation of Shares Represented and Conduct of the Shareholders' Meeting

1. Attendance at shareholders' meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

2. The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders' attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. If the shareholders' meeting is held by virtual conference, the Company shall also announce the meeting on the virtual conference platform of the shareholders' meeting.
3. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month. If a shareholders' meeting is held by virtual conference, shareholders who wish to attend by virtual shall re-register with the Company in accordance with Article 6.
4. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

#### Article 10 Discussion of Proposals

1. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
2. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.
3. The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
4. The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed.

## Article 11 Shareholder Speech

1. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
2. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.
3. Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.
4. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.
5. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
6. After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

## Article 12 Calculation of Voting Shares and Recusal

1. Voting at a shareholders' meeting shall be calculated based the number of shares.
2. With respect to resolutions of shareholders' meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.
3. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of this Corporation, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.
4. The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
5. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued

shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13 Voting on Motions, Monitoring and Counting

1. A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
2. When the Company holds a shareholders' meeting, the shareholders may exercise their voting rights in writing or electronically, and the method of exercising their voting rights in writing or electronically shall be set forth in the notice of the shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals. However, it shall be regarded as abstaining from voting on the extempore motion of the shareholders' meeting and the amendment of the original motion. It is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
3. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders' meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.
4. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders' meeting, the voting rights exercised by the proxy in the meeting shall prevail.
5. Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
6. In the resolution, if the chairperson of the meeting inquires and receives no objection, the motion is deemed passed, with equivalent force as a resolution by vote. If there is

- any shareholder objecting to an agenda item, it shall be put to vote by a poll in compliance with the provisions mentioned in the preceding paragraph. If a shareholder attending a shareholders' meeting intends to propose an amendment or an alternative to a proposal not included in the meeting agenda, the proposal shall be seconded first and the proposer and seconder(s) shall collectively hold shares representing at least 1 percent of the total voting rights of issues shares of the Company.
7. When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
  8. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.
  9. Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders' meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.
  10. When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chairperson announces the voting session ends or will be deemed abstained from voting.
  11. In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.
  12. When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.
  13. When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

#### Article 14 Election

1. The election of directors at a shareholders' meeting shall be held in accordance with the Rules for the Election of Directors adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

2. The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

#### Article 15 Resolutions

1. Matters relating to the resolutions of a shareholders' meeting shall be recorded in the Minutes for Shareholders' Meeting. The Minutes for Shareholders' Meeting shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The Minutes for Shareholders' Meeting may be produced and distributed in electronic form.
2. The Company may distribute the Minutes for Shareholders' Meeting of the preceding paragraph by means of a public announcement made through the MOPS.
3. The Minutes for Shareholders' Meeting shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results, and shall be retained for the duration of the existence of the Company.
4. The methods by which resolutions were adopted shall be a poll of the shareholders case by case. The Minutes for Shareholders' Meeting shall accurately record the statistical tallies of the numbers of votes, the percentage of the numbers of votes, and the voting means the exercised by the shareholders (on-site voting, correspondence, or electronic means).
5. Where a virtual shareholders' meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.
6. When convening a virtual-only shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders' meeting online

#### Article 16 Public Disclosure

1. On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders' meeting.
2. In the event a virtual shareholders' meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

3. During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.
4. If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (or Taipei Exchange Market) regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Disclosure of Information at Virtual Meetings

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.

Article 18 Location of the Chair and Secretary of Virtual-only Shareholders' Meeting

When the Company convenes a virtual-only shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.

Article 19 Handling of Disconnection

1. In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.
2. In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.
3. For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.
4. For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares, number of voting rights, and number of election rights represented at the postponed or resumed session.
5. During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for

which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

6. When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.
7. Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.
8. When postponing or resuming a meeting according to the second paragraph, this Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.
9. For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

#### Article 20 Handling of Digital Divide

When convening a virtual-only shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online.

#### Article 21 Maintaining Order at the Meeting Place

1. Personnel handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
2. The chairperson may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."
3. At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.
4. When a shareholder violates the rules of procedure and defies the chairperson's correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.



Article 22 Recess and Resumption

1. When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
2. If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders' meeting may adopt a resolution to resume the meeting at another venue.
3. A resolution may be adopted at a shareholders' meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 23 Supplementary Provisions

1. Any matters not set forth herein shall be governed by the applicable laws and regulations.
2. These Rules shall be effective upon adoption by the Board of Directors and shall be amended as well.

Article 24

Full articles promulgated on June 17, 2011.

The first amendment on October 24, 2018.

The second amendment on December 29, 2021.

The third amendment on May 29, 2015.

The fourth amendment on May 16, 2019.

The fifth amendment on June 29, 2022.

## Appendix III

### **TCI Co., Ltd. Measures for Electing Directors**

Article 1: These Measures are established to ensure a fair, just, and transparent election of directors and are in accordance with Articles 21 and 41 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 2: The rules of procedures for this Company's Director election, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3: The election of the Company's directors shall consider the overall composition of the Board of Directors. The composition of the Board shall reflect diversity, and an appropriate diversity policy shall be formulated based on the Company's operations, business model, and development needs. This policy shall include, but is not limited to, the following two major aspects:

1. Basic conditions and values: sex, age, nationality, culture, and others.
2. Professional knowledge skills: professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

The members of the Board shall generally possess the knowledge, skills and qualities necessary to carry out their duties. The overall capabilities of the Board shall include the following:

1. Operational judgment skills.
2. Accounting and financial analysis skills.
3. Operational management skills.
4. Crisis management skills.
5. Industry knowledge.
6. International market outlook.
7. Leadership skills.
8. Decision-making skills.

More than half of the board members must not have a spousal relationship or a familial relationship within the second degree of kinship with each other.

The Board of Directors of the Company shall consider adjusting the composition of the Board of Directors based on the results of the performance evaluation.

Article 4: The directors of the Company shall possess the following qualities:

1. Integrity and reliability.
2. Fair judgment.
3. Professional knowledge.
4. Extensive experience.
5. Ability to read financial statements.

In addition to the aforementioned qualifications, at least one director among the Board members must be a professional in accounting or finance.

The appointment of directors shall reference the regulations regarding the independence of independent directors for publicly listed companies, selecting appropriate directors to strengthen the Company's risk management and financial and operational control.

Among the directors, at least one must not have a spousal relationship or a familial relationship within the second degree of kinship with any other directors.

Directors must not concurrently serve as directors, managers, or other employees of the Company, and at least one director must have a residence within the country to promptly fulfill supervisory functions.

Article 5: The qualifications of the Company's independent directors must comply with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies."

The appointment of the Company's independent directors must comply with Articles 5, 6, 7, 8, and 9 of the same regulations and be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies."

Article 6: The election of the Company's directors (including independent directors) shall be conducted in accordance with Article 13 of the Company's Articles of Association and Articles 192-1 of the Company Act and 26-3 of the Securities and Exchange Act. To review the qualifications, educational and professional backgrounds, and any circumstances listed in Article 30 of the Company Act of the director candidates, no additional qualification documents should be arbitrarily requested. The review results shall be provided to the shareholders for reference to select suitable directors. The procedure is as follows:

1. Before the suspension of stock transfers prior to the shareholders' meeting, the Company shall announce the period for accepting nominations of director candidates, the number of directors to be elected, the place of acceptance, and other necessary matters. The acceptance period shall not be less than ten days.
2. The Company may propose the list of director candidates in the following ways. After the nomination committee evaluates that the candidates meet the required qualifications, the list shall be submitted to the Board of Directors for approval and then elected by the shareholders' meeting:
  1. Shareholders holding more than 1% of the total number of issued shares may submit a list of director candidates to the company in writing. The number of nominees shall not exceed the number of directors to be elected.
  2. The Company's nomination committee may nominate a list of director candidates. The number of nominees shall not exceed the number of directors to be elected.
  3. Other methods as prescribed by the competent authority.
3. When providing the recommended list according to the previous item, shareholders and the nomination committee shall attach the nominee's name, education, experience, a letter of commitment to accept the position if elected as a director (or independent director), a declaration of no circumstances as specified in Article 30 of the Company Act, and other relevant documents.
4. The nomination committee shall review the nominated director candidates and include them in the list of director candidates unless any of the following circumstances apply:

1. The nominating shareholder submitted the nomination outside the announced acceptance period.
2. The nominating shareholder holds less than 1% of the shares when the Company suspends stock transfers under Article 165, Paragraph 2, or 3.
3. The number of nominees exceeds the number of directors to be elected.
4. Relevant documents specified in Item 3 are not attached.

Article 7: Delete

Article 8: The election of the Company's directors shall adopt a cumulative voting system. Each share has the same number of votes as the number of directors to be elected. These votes may be cast all for one candidate or distributed among several candidates.

Article 9: The Board of Directors shall prepare ballots equal to the number of directors to be elected, indicating the voting rights for each ballot. These ballots shall be distributed to the shareholders attending the shareholders' meeting. The voter's name can be substituted by printing the attendance certificate number on the ballot.

Article 10: The Company's directors shall be elected according to the number of seats specified in the Articles of Association, with the election rights calculated separately for independent directors and non-independent directors. The candidates who receive the most votes will be elected in order. If two or more candidates receive the same number of votes, exceeding the specified number of seats, a drawing will determine the winner among those with the same number of votes. The chairperson will draw on behalf of any absentee.

Article 11: Delete

Article 12: Before the election begins, the chairperson shall appoint a certain number of shareholders as scrutineers and vote counters to perform the relevant duties. The ballot box, prepared by the Board of Directors, shall be publicly inspected by the scrutineers before voting. After the voting, the scrutineers shall open the ballot box to count the votes.

Article 13: Delete

Article 14: A ballot shall be deemed invalid if any of the following conditions apply:

1. The ballot is not one prepared by the convener.
2. A blank ballot is cast.
3. The writing is illegible or altered.
4. The name on the ballot does not match any candidate on the list of director candidates.
5. Any text other than the allocation of voting rights is written on the ballot.

Article 15: Delete

Article 16: After the voting is completed, the ballots shall be counted on the spot under the supervision of the scrutineers. The results of the vote counting will be announced immediately by the chairperson, including the list of elected directors and the number of votes each received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 17: The elected directors shall be issued an election notification by the Company's Board of Directors.

Article 18: If for any reason the number of directors is less than five, the Company shall hold a by-election at the most recent shareholders' meeting. However, if the number of directors' vacancies reaches one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene an interim meeting of shareholders to hold a by-election within 60 days from the date of occurrence of the fact.

Article 19: Delete

Article 20: If any elected director does not comply with Article 26-3 of the Securities and Exchange Act, the director with the lowest number of votes among those who do not comply shall be disqualified.

Article 21: The term of a director shall not exceed three years, but they may be re-elected for consecutive terms.

Article 22: If the term of a director expires and re-election is not yet completed, their duties shall be extended until the newly elected directors assume office. However, the competent authority may order the Company to hold re-elections within a specified period. If re-elections are not held by the end of the specified period, the directors will be automatically dismissed upon the expiration of the period.

Article 23: Matters not covered by these regulations shall be handled in accordance with the Company Act, the Securities and Exchange Act, the Company's Articles of Association, and other relevant laws and regulations.

Article 24: These Articles of Incorporation shall be effective upon adoption by the Board of Directors and resolution of the Shareholders' meeting and the same shall apply for amendment.

Article 25: These Rules were established on June 19, 2012.

The first amendment was made on May 30, 2014.

The second amendment was made on May 19, 2015.

The third amendment was made on June 29, 2022.

## Appendix 4

### **TCI Co., Ltd.** **Shareholding of Directors and the Minimum Shareholding Requirements**

Title	Name	Date Elected	Term	Current Shareholding Till the Date for Suspension of Share Transfer (April 27, 2024)	%
Chairman	Yung Jiang Investment Co. Legal Director Representative Yung-Hsiang Lin	2023.06.27	3	6,774,248	5.73%
Director	Yang Guang Investment Co., Ltd.	2023.06.27	3	4,427,053	3.81%
Independent Director	Sung-Yuan Liao	2023.06.27	3	0	0%
Independent Director	Chen-Yi Kao	2023.06.27	3	0	0%
Independent Director	Shih-Ming Li	2023.06.27	3	0	0%
Independent Director	Shu-Min He	2023.06.27	3	1,000	0%
Total				11,202,301	9.54

Notes:

1. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," for companies with a paid-in capital exceeding NT\$1 billion but less than NT\$2 billion, the total shares held by all directors must be no less than 7.5%, and the total shares held by all supervisors must be no less than 0.75%. The shareholdings of independent directors elected by a public company shall not be counted in the total referred to in the preceding paragraph; if a public company has elected two or more independent directors, the share ownership figures calculated at the rates set forth in the preceding paragraph for all directors and supervisors other than the independent directors and shall be decreased by 20 percent.
2. The amount of the total issued shares of the Company is NT\$1,182,608,300, and the number of the total issued shares is 1,182,608,300 till April 27, 2024. The minimum number of shareholding requirements for directors shall be 8,000,000 in compliance with the relevant law and regulations mentioned in the preceding paragraph.
3. The number of the total shareholding of the Company's directors is 11,202,301 till the date for the suspension of share transfer, April 27, 2023. This number meets the shareholding requirements for directors in the relevant law and regulations.