

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



Time: 9 a.m. on Tuesday, June 25, 2024

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

Present: The total number of shares present in person or by proxy in 2020 Annual Shareholders' Meeting was 85,489,174 shares (including 22,865,186 votes casted electronically). Percentage of total outstanding shares (117,728,830 shares) present in person or by proxy is 72.61%.

Directors present: Chairman of the Board Yung-Hsiang Lin (Yong Jiang Investment Co. Legal Representative), Director Pi-Shu Li, Independent Director Chen-Yi Kao, Independent Director Sung-Yuan Liao, Independent Director Shih-Ming Li, and Independent Director, Shu-Min He. A total of 6 directors attended, more than half of the 6 directors.

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

Chairperson: Chairman of the Board Yung-Hsiang Lin



Recorded by: Chun-Ying Chiu



I. Call the Meeting to Order:

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

II. Chairman Remarks: (skip).

III. Management Presentation (Company Reports)

1. 2023 Business Report

Explanation: The 2023 Business Report is attached as Attachment 1.
(Shareholders have been informed.)

2. 2023 Audit Committee's Review Report

Explanation: The 2023 Audit Committee Report is attached as Attachment 2.
(Shareholders have been informed.)

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.

(Shareholders have been informed.)

VI. 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 Attachment 1, and Attachment 3.

(3) Please resolve.

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

Number of voting rights of shareholders present at the time of voting: 83,038,986

Voting results (including electronic votes)	Percentage of voting rights of shareholders present at the time of voting
Approval votes: 82,867,470	99.79%
Disapproval votes: 27,075	0.03%
Invalid votes: 0	0.00%
Abstention votes/no votes: 144,441	0.17%

Proposal was approved as proposed.

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 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: The voting results on this proposal are as follows:

Number of voting rights of shareholders present at the time of voting: 83,038,986

Voting results (including electronic votes)	Percentage of voting rights of shareholders present at the time of voting
Approval votes: 82,806,700	99.72%
Disapproval votes: 31,110	0.03%
Invalid votes: 0	0.00%
Abstention votes/no votes: 201,176	0.24%

Proposal was approved as proposed.

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. TCI Research & Design Center R&D Director Product Design Department Assistant Manager, TCI Co., Ltd.	Director of Maxigen Biotech Inc. General Manager, Maxigen Biotech Inc.

(3) Please elect the Director.

Election Results:

Account No. or ID No. Unified No.	Elected Candidate	Number of Votes (Shares)
Director		
73646	Maxigen Biotech Inc. Representative: Jing-Ting Chen	76,315,052

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 Attachment 5.

(3) Please discuss.

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

Number of voting rights of shareholders present at the time of voting: 83,038,986

Voting results (including electronic votes)	Percentage of voting rights of shareholders present at the time of voting
Approval votes: 81,572,666	98.23%
Disapproval votes: 65,561	0.07%
Invalid votes: 0	0.00%
Abstention votes/no votes: 1,400,759	1.68%

Proposal was approved as proposed.

VII. Extempore Motions:

Shareholder account no.: 38701

Question: Outlook for the Company's business and operations for the second half of 2024

Summary of Chairman Lin's response:

The Company's overall turnover has not changed significantly before and after the pandemic, indicating a balance achieved in the European and American regions, with differences in the Chinese market. With business and operational expansion in 67 countries globally, TCI continues to move forward with a stable approach, striving to meet the highest standards in quality and quantity for growth, and working towards becoming the World's Number 1.

After the response, shareholders were asked if they had any other questions, and there were no further comments.

Shareholder account no.: 392

Question: Operation, contributions, and vision of forming the "Biotech Alliance"

Summary of Chairman Lin's response:

The current development focuses primarily on three major companies: TCI, MBI, and TCI Gene, serving as the core.

These companies are continuously moving towards internationalization in their respective markets and fields, contributing to the nation by promoting high-quality corporate images and excellent products globally. Over the next 2 to 3 years, the strategy will still be driven by the core business, TCI, to foster globalization. The "Biotech Alliance" will need time to achieve its goals, but the plans will remain unchanged, and efforts will continue.

After the response, shareholders were asked if they had any other questions, and there were no further comments.

VIII. Meeting Adjourned (09:48 A.M.)

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

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)						
9750 Basic earnings per share	6(29)		\$ 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
CASH FLOWS FROM OPERATING ACTIVITIES			
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		29,348	3,897
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		(197,392 ) (	173,838)
Net cash flows from operating activities		1,274,565	598,290

(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
CASH FLOWS FROM INVESTING ACTIVITIES			
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>
CASH FLOWS FROM FINANCING ACTIVITIES			
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)	\$ 1,024,426	\$ 1,162,811

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

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			(2,161,937)	(27)	(2,109,365)	(28)
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>
Other comprehensive (loss) income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Gains on remeasurements of defined benefit plans			\$ 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)	-
Other comprehensive (loss) income that will be reclassified to profit or loss						
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			(\$ 81,883)	(1)	\$ 93,958	1
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)						
9750 Basic earnings per share	6(31)		\$ 7.73		\$ 6.06	
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		<u>\$ 1,182,608</u>	<u>\$ 2,887,265</u>	<u>\$ 899,210</u>	<u>\$ 282,347</u>	<u>\$ 3,170,008</u>	<u>(\$ 187,908)</u>	<u>(\$ 6,196)</u>	<u>(\$ 118,787)</u>	<u>\$ 8,108,547</u>	<u>\$ 1,970,477</u>	<u>\$ 10,079,024</u>
<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		<u>\$ 1,182,608</u>	<u>\$ 2,900,420</u>	<u>\$ 970,582</u>	<u>\$ 194,104</u>	<u>\$ 3,491,839</u>	<u>(\$ 280,381)</u>	<u>(\$ 3,152)</u>	<u>(\$ 232,963)</u>	<u>\$ 8,223,057</u>	<u>\$ 1,654,885</u>	<u>\$ 9,877,942</u>

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
CASH FLOWS FROM OPERATING ACTIVITIES			
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
CASH FLOWS FROM INVESTING ACTIVITIES			
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
CASH FLOWS FROM FINANCING ACTIVITIES			
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