Agenda for the 2024 Annual General Meeting of Taiyen Biotech Co., Ltd.

Time: Friday, June 21, 2024 at 10:00 a.m.

Location: No. 297, Section 1, Jiankang Road, South District, Tainan City (Great Auditorium of the Headquarters)

Method: Convene the physical shareholders' meeting.

Recognizing Issues:

Case 1: The 2023 Business Report and Financial Statements are submitted for recognition.

(Proposed by the Board of Directors)

Description:

1. The Company's 2023 annual financial statements have been audited by Tseng, Yu-Che and Li, Fang-wen, Certified Public Accountants of Everest CPA & Co., and an audit report has been issued. With the business report, they are submitted to the Audit Committee and shareholders' meeting for approval.
2. Please find attached the 2023 Business Report on Operations (please refer to Attachment 1), the Accountants' Audit Report and the Financial Statements (please refer to Attachment 4).

Resolution:

Case 2: The Distribution of the Company's Earnings for 2023 is proposed for recognition.

(Proposed by the Board of Directors)

Description:

1. The Company's net income after tax for 2023 is NT$300,386,116, and the Earnings Per Share(EPS) is NT$1.5 , adjusted for actuarial gains of defined loss of NT$30,040,256, and undistributed surplus at the beginning of the year of NT$284,960,877. The earnings available for distribution for the year amounted to NT$555,306,737. The cash dividends are intended to be distributed at NT$1.2 per share, and request the Shareholders' Meeting to authorize the Board of Directors to resolve additionally the dividend record date and the payment date of cash dividend distribution.
2. The total dividend of the distribution of individual shareholders is distributed to the dollar amount, rounded off to the nearest NT Dollar. The fractional amounts are accounted as other income of the company.
3. Please find attached of the 2023 earnings distribution table. (please refer to Attachment 5).

Resolution:

Extempore Motion

Attachment 1

Business Report

I. Business Results for 2023

(I) Implementation of Business Plan

Over the past year, thanks to the joint efforts of all employees, Taiyen's consolidated operating revenue in 2023 reached NT$3,408,811 thousand, consolidated gross profit was NT$1,257,478 thousand, and consolidated net income for the period was NT$217,296 thousand. Net income attributable to the parent company was $300,386 thousand, a decrease of 29.60% from 2022.

According to the requirements of the FSC, listed food companies should complete the "Sustainability Report" by the end of 2023. The Company has also completed the report within the deadline. In 2023, the Company was awarded the "2023 Taiwan Corporate Sustainability Awards" by the Taiwan Corporate Sustainability Awards Executive Committee in the category of Sustainability Report - Traditional Manufacturing Industry - Category 2 Silver, which enabled the Company to continue to move towards sustainable operations.

Unit: NT$ thousands

Year / Item	Year: 2023	Year: 2022	Increase/Decrease	
			Amount	%
Operating income	3,408,811	3613607	(204,796)	(5.67)
Operating cost	2,151,333	2337002	(185,669)	(7.94)
Operating gross profit	1,257,478	1276605	(19,127)	(1.50)
Operating Expenses	944,050	831555	112495	13.53
Business Benefits	313,428	445050	(131,622)	(29.57)
Non-operating Income	15,688	85537	(69,849)	(81.66)
Net profit before tax	329,116	530587	(201,471)	(37.97)
Income tax	111,820	103,071	8,749	8.49
Net Income for current period	217,296	427,516	(210,220)	(49.17)
Net Income Attributable to the Parent	300,386	426,704	(126,318)	(29.60)

(II) Profitability Analysis

Item	Year: 2023	Year: 2022
Return on Assets (%)	2.66%	5.16%
Return on equity (%)	3.28%	6.48%
Ratio of Operating Income to Paid-up Capital	15.67%	22.25%
Ratio of Net Income before Tax to Paid-up Capital	16.45%	26.52%
Net Profit Margin	6.37%	11.83%
Net Profit per Share after Tax (NT$)	1.50	2.13

(III)Implementation of Research and Development:

The Company's research and development in 2023 was fruitful. In addition to the launch of various new products, six products, namely "Gold Elixir 10X Revitalising Ampoule", "Himalayan Rose Salt Toothpaste", "Beisumei Exfoliating Facial Wash", "Sesame E Good Night Capsules", "Taiyen Ocean Pure Water" and "Taiyen Ocean Alkaline Ionised Water", were also recognised by major awards both at home and abroad. The company also has received the Crystal Glory Trophy by Monde Selection®, an international quality assessment Organization, for 10 consecutive years.

The purpose of our research and development, as described below, is to provide safe products that meet the consumers' needs.

1. Research and development of new products

(1) Beauty care products: The Company strengthened the competitiveness of its products with its core technology by launching LUMIEL "Gold Bouncing Moisture Light Sunscreen SPF50+ ★★★★★", and continued to focus on strengthening the "MÉDECURA Medical Beauty Series" and "Taiyen Beauty Series" product lines. The "MÉDECURA Medical Beauty Series" combines the local plant Taiwan Red Bean Pine to launch three new products, including "Brightening Hydration Essence SPF50 ★★★★★", "24K Gold Diamond Peptide Firming Cream", and "Purple Diamond Original Repairing Eye Cream". "Taiyen Beauty Series" uses fermented collagen and super-conducting water to create two new products, "Brightening Essence" and "Brightening Eye Cream", which are unique in the market.

(2) Cleaning products: Under the global trend of naturalness, environmental protection, and harmony with the earth, the Company has already obtained three eco-labels for personal cleansing products in 2022, and this year, the Company has again obtained the eco-labels for "Salt & Clean Eco Laundry Detergent" and "Salt & Clean Eco Dishwashing Detergent". Consumers have developed the habit of strengthening personal hygiene and emphasising the quality of home life in the wake of the pandemic. In response to the related demand and changes, the Company launched four bathing salts, including "Salty and Refreshing Mouthwash" and "Himalayan Hand-Harvested Rose Deep Mineral Bathing Salt" for oral care and cleansing products.

(3) Health food products: In response to market demand, the Company, with its unique core competitiveness, invested more in its own raw materials and products to deepen its research, and launched seven trending products, including "Vitality Calcium Complex Powder", "Hao Ji Li EX Strength Protein", "Yeast B Complex Capsules", "Collagen Powder Miracle Shine", "Hao Ji Li Multi Peptide Superior Protein", and "Perfect Dynamic Slender Fruit Pectin". These products are designed to enhance the competitiveness of the products in bone, joint and muscle mobility, physical strength maintenance and youth and beauty care, and to cater for the health needs of consumers returning to normal life after the quarantine.

(4) Salt products: Climate change has led to the intensification of extreme weather. "Thermal injuries" have increased by nearly 90% over the past 10 years. The company combines salt, seawater concentrated minerals, non-degenerative collagen type II three core materials to produce a variety of applications, and develop portable salt tablets electrolyte supplements to meet the needs of sports groups and labourers to replenish electrolytes after sweating and to prevent heat stroke. The related products also have the health effects of improving endurance and reducing exercise fatigue.

2. Technological Development

(1)Focus on the extended development of collagen and implement the circular economy.

Our company uses an original and novel sub-micron collagen-coated carrier technology to coat the best known clear mono scavenger - natural astaxanthin with singlet oxygen. The nano water and oil phases are both soluble in the collagen-coated astaxanthin particles. After the efficacy test, the product has been verified to have excellent anti-dark spot and anti-wrinkle effects, and is far superior to the Japanese nano astaxanthin emulsion competitors on the market. It won the top innovation award of the French Cosmetic Awards 2022-2023.

In order to further expand the efficacy of collagen in promoting the production of collagen, our company has developed naturally extracted fish scale collagen raw materials with high concentrations of collagen-producing peptides. In addition to the collagen obtained from aquatic waste fish scales, we have also obtained natural calcium and phosphorus compounds (Hydroxyapatite), which have been proven to have the effect of remineralising dental enamel. Oral care products developed from this natural source can improve the problem of tooth sensitivity.

(2) Continuous development of natural cosmetic ingredients as the cornerstone of sustainability

In order to improve the problem of grey hair as we age and to satisfy consumers' desire for beauty and self-confidence, the company developed a natural hair complex extract, which has been verified by cell tests to increase the melanin production rate, and thus obtained the patent for the invention of I824248.
In order to reduce the impact on marine ecosystems, we have developed natural sunscreens with high UV absorbing capacity, which can be combined with physical sunscreens to produce a variety of sunscreens with SPF over 50. These products are completely free of chemicals, so are safer and more environmentally friendly.
During the year under review, the Company has completed the safety trials of four self-manufactured natural cosmetic ingredient substitutes, and can provide non-animal safety data in line with the world trend, which improves the information on the safety of unique raw materials and provides further safety protection for consumers.

3. Awards

The Company's products have, at home and abroad, been repeatedly rewarded for our insistence on "safety, efficacy, and quality." We conform to international standards in terms of research and development, quality management, and branding, and our products are widely trusted and well received by consumers. To demonstrate the Company's efforts in green beauty products, in 2023, the Company participated in the UK's Global Green Beauty Awards for the first time, where "Himalayan Rose Salt Toothpaste" and "Petsumi Exfoliating Facial Wash" won the Silver Award for Salt-Based Products and the Highly Commended Award for Natural Oral Products respectively. Other awards in 2023 are listed below:

(1) 2023 Monde Selection: "Taiyen Marine Alkaline Ionised Water" and "Taiyen Small Molecule Marine Aqua" won Gold Awards; "Golden Elixir 10X Revitalising Ampoule" won Silver Award; and "Taiyen Biotech Co., Ltd." was awarded the Crystal Glory Award for the 10th consecutive year.

(2) 2023 International Flavour Institute (ITI): "Taiyen Marine Alkaline Ionized Water" and "Taiyen Small Molecule Marine Water" were both awarded 3 stars for excellent flavour.

(3) 2022-2023 Victoires de la Beauté: The new product "LUMIEL LUXURY REVERSE SKIN WHITENING CONCENTRATE LOTION" was awarded the Top Innovation Award, and it is the only whitening product that was selected for the award.

(4) 2023 Nutritional Food Innovation Award by Health Food Society of Taiwan: "Sesame E Good Night Capsule" won the Innovation Award.

4. Protection of intellectual property

In 2023, the Company obtained a patent in the Republic of China (R.O.C.) for the invention of "Plant extract for use in the preparation of compositions for increasing the melanin content and MITF performance of hair", and three patents in the R.O.C. for new types of products, including "Container structure containing serum containing isotonic encapsulated droplets", "Droplet structure encapsulated with astaxanthin", and "Foaming set of traditional Chinese herbal medicines".

In addition, two R.O.C. invention patents are pending, including "Hydroxyapatite prepared from fish scales and its preparation method and use" and "Method of manufacturing giant knot weed extract and sunscreen composition containing it".

The Company will continue to protect the intellectual property for technologies that can effectively enhance product competitiveness and brand value.

5. Certification by Taiwan Accreditation Foundation

Our food, salt, and cosmetics have passed major inspections prescribed in related laws and regulations. In response to increasingly stringent regulations and standards, the Company will continue to develop more precise test methods in order to improve our quality control and corporate image.

II. Effect of External Competition, Legal Environment, and Overall Business Environment

In the face of intense competition, the Company has kept abreast of the economic growth and market changes at home and abroad. This year, the Company continued strengthening consumer communication and experiential marketing and expanding channels of distribution to increase revenue. In response to statutory requirements and changes in the business environment, ongoing efforts are made to promote food safety management and product innovation. In 2019, the Audit Committee was established to further the implementation of corporate governance. In terms of corporate sustainability (ESG), in addition to continuing to cultivate the "circular economy", in 2023, the Company has built its own solar power plant on unused land in the Luzhu District of Kaohsiung City, and has invested in Taiyen Solar Power Co. In addition, its Taiyen Green Energy subsidiary continues to co-operate with solar power plants to implement the "Fisheries and Electricity Co-generation" programme.

In terms of the overall economy, according to the forecasts of the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD), the global economic growth in 2024 will range from 2.9% to 3.0%. With the supply chain gradually stabilizing, the supply-side impact of the price hike caused by the war in Ukraine being gradually eliminated, and inventories in the manufacturing sector being reduced, global economic growth is expected to avoid the risk of a hard landing. Although the risk of geopolitical uncertainty may impact business and consumer confidence, global economic growth in 2024 is forecast to be higher than in 2023.

On the whole, global consumption of end products is warming up and inventories are gradually returning to healthy levels, which will help boost Taiwan's exports and production. In addition, as investment in semiconductor and green energy facilities continues to expand, and private consumption remains solid, economic performance is expected to rebound in 2024. The Office of the Comptroller General of the Executive Yuan, the Taiwan Institute of Economic Research, and the China Academy of Financial Research forecast that Taiwan's GDP growth rate in 2024 will be 3.10%~3.35%, a rebound from 1.41%~1.43% in 2023.

III. Future Development Strategy

The Company's business strategy continues to focus on the development of marine biotechnology, and its business model has made Taiyen a leader in the field. With continuous innovation and quality, the Company will become the guardian of consumers' health in salt, packaged water and beauty and health food.

The Company's investment in research and development is based on the principle of "ensuring product safety and satisfying consumer needs". In terms of future development strategy, the

Company will continue to consolidate its leading position in the saline market. The company will also actively develop diversified channels for its biotech-trend products and promote the internationalisation of its brands in order to accelerate the development of overseas markets. In line with national policies and global trends, the company will implement ESG, follow the GRI guidelines, and endeavour to save energy and reduce carbon emissions. To achieve this, the Company will develop low-carbon products and services, and implement sustainable strategies and concepts.

The Company will uphold the spirit of innovation and progress, and continuously optimise its products to meet the needs of consumers in their pursuit of health and beauty. With the most rigorous and forward-looking professionalism, the Company will enhance the quality of life and taste of the public, and move towards the value proposition of "Taiyen Salt Good" to establish a foothold in Taiwan and rise to the international arena.

IV. Outline of Business Plan for 2024

1. Business Policy

The Company will continue its business policies of “healthy growth in revenue, improving profits, and improving operating efficacy” and set “diverse and young projects, clicks-and-mortar digitalization, brand optimization, market internationalization, and asset activation” as its future operating policies. Significant measures are as follow:

(1). Sales

i. In terms of salt products, amidst the fermentation of food safety issues and the trend of increasingly stringent government regulations, the Company will continue to provide guidance to agricultural and fishery product processors, feed feeders, and pickle operators to choose the Company's food processing salt or common refined salt, in order to expand its market share in the food processing market. In addition, in response to consumer demand, the Company has developed the "Taiyen Strictly Choice" imported salt series and continues to develop new products, and has even expanded its GT and online shopping channels in order to increase the sales of edible salt, consolidate the Company's position as a market leader, and enhance the sense of brand value.

ii. In terms of packaged water, the Company's "Marine Alkaline Ionised Water" currently occupies the leading position in the domestic functional packaged water market. The Company has diversified its product specifications, strengthened brand value communication and deepened channel deployment to expand its market share. In terms of channels, the Company is deeply committed to the hypermarket and online shopping markets to develop comprehensive channel penetration, consolidate its niche, and maintain its revenue growth. In addition, the Company continues to develop customised and multi-series products such as "Taiyen Ocean Pure Water" and "Taiyen Ocean Generating Water". With the support of the existing packaged water brand, the company is able to expand its channels and market share of Taiyen packaged water to enhance its overall sales performance.

iii. In the area of nutritional products, LUMIEL products are prepared for a number of product tests by using the novel technology of sub-micron collagen carriers encapsulating astaxanthin. It is expected that a new generation of spot reduction products will be launched this year. The "5 billion collagen particles in one drop" is a dual-action all-round whitening and anti-scarring product that opens up the skin's care channels. The new whitening ingredient can be absorbed in layers until it penetrates into the skin. LUMIEL, Taiyen Beauty and MÉDECURA have developed niche segments independently. Each brand strengthens its core brand aspirations and uniqueness, and adopts a multi-channel development strategy to expand its market through the integration of virtual and physical channels.

iv. In terms of cleaning products, Taiyen toothpaste products were widely publicised with newly-designed IP characters and cartoon films placed in dental clinics across the province. The aim was to promote the toothpaste products in a more accessible way and to establish new indicators for oral hygiene. In addition, in order to implement ESG, the company has successfully obtained environmental labels for five products, using recycled plastic bottles and environmentally friendly formulations to implement corporate social responsibility.

v. In terms of franchised channels, the Company continues to carry out changes in channel operation, using hierarchical management as the basis for incentives and counselling, and strengthening marketing activities to give full play to the channel's customer collection effect and brand value, thereby enhancing competitiveness. In terms of other channels, the Company has been actively deploying multiple channels, directly operating shops in mass-market channels, and even setting up an online shopping website, in order to implement virtual integrated marketing and gradually expand the sales market.

vi. In terms of export sales, the Company focuses on specialty products and adopts strategic cooperation between distributors and channel agents to jointly expand overseas markets.

vii. In terms of asset revitalisation, the Company carried out land revitalisation, lowered the idle rate, actively implemented the Cigu Recreation Area project, and upgraded its human assets.

viii. Green Energy Development: The Company continues to pursue the "circular economy" by building its own solar power plant and actively promoting a clean and sustainable fishery-electricity co-generation solar photovoltaic service platform.

(2) Production

i. We will take a full evaluation of the product benefits and reduce slow moving inventory to improve inventory turnover.

ii. We will consider using online monitoring equipment and artificial intelligence (AI) to improve process management, productivity, and quality, to increase OEM orders, and to evaluate the cost-effectiveness of each factory

iii. The company implemented various quality management policies to strengthen the quality control of upstream raw materials to ensure product quality and safety, and implemented a product tracking system.

iv. The company promotes measures to improve the energy efficiency of production units to reduce emissions from carbon emission hotspots.

(3) Management

i. In line with the business strategy, the Company will use manpower flexibly and effectively to drive business growth and productivity. Through restructuring and manpower adjustment, the Company expects to make various reforms to integrate corporate resources and to improve operational performance.

ii. By implementing key performance indicators (KPI) and an employee evaluation system, as well as pay adjustments and bonuses, the Company expects to increase the linkage between compensation and individual performance and business performance.

iii. In response to the COVID-19 pandemic, the Company fully cooperated with the policies and regulations of the Central Pandemic Command Centre to implement cleaning and disinfection operations in all units/places, and to make over-the-horizon deployments so as to ensure safe and normal operation of the enterprise.

2. Expected sales volume in 2024 and its basis

The sales volume forecast for major lines of business is as follows:

Item \ Year	Expected sales volume in 2024	Unit
Salt	About 260,000	Metric ton
Bottled Water	About 100,000	Metric ton
Cosmetics	About 530,000	Bottle/Box/Set
Cleaning Products	About 2.7 million	Bottle/Box/Set
Health Food	About 1.33 million	Bottle/Box/Set

Note: The sales plan is made based on the production capacity and market changes:

1. The sales volume of salt products was estimated based on the average monthly sales volume in 2023.
2. The sales forecast on bottled water is made based on the estimated delivery volumes of system distributors, franchisees, and regular chains.
3. The sales forecast on biotech products, which include skin care products, cleaning products, and health foods, is made based on the estimated delivery volumes of franchisees, system distributors, and regular chains.

3. Production and Sales Policy

Based on different business models, the Company's production strategy is generally classed as inventory-based (salt), plan-based (bottled water, skin care products, health products, and cleaning products), and order-based (customized products) production. The Company implements inventory management to meet market demand and prompt and proper supply and to effectively reduce inventory costs.

V. Conclusion

Taiyen's development has been closely linked to Taiwan's economic growth, and it has been established for more than 70 years with an outstanding reputation. The Company always upholds the core value of excellence and innovation. In addition to focusing on the salt industry, the Company is also responsible for the country's economic development by providing a stable supply of salt for the people's livelihood, and the brand vision of pure ocean energy water to inspire unlimited health and vitality. The company's business scope includes packaged drinking water, health care products, cleaning products, health care products, Cigu and Tung-Hsiao Tourism and Cultural Park. The company has won numerous awards and has become a national leading brand model of "corporate dedication to reassure society and consumers".

In the face of the fast changing market, Taiyen utilises its established corporate strengths to make consumers feel that "Taiyen" is a reliable and trustworthy partner. The company also continues to develop in the Taiwan market, and has been working on co-operation projects in Southeast Asian countries based on its quality advantage. In addition, the company has been actively promoting digital transformation to generate profits through e-commerce and smart workflow.

Taiyen possesses the corporate culture of honesty, contribution, and inheritance and the corporate values of integrity and prudence. Adhering to an attitude of responsibility to consumers, we continue to create maximum interest for shareholders by making ourselves a professional, innovative, and efficient enterprise. At the same time, the company also upholds a macro vision, in line with global trends and government policies, continue to invest in its own power plants, the development of solar power business, and actively promote clean, sustainable green solar energy, in order to give back to the countryside. The company promotes a new generation of environmentally friendly energy and protects the land of Taiwan with all its heart.

Chairman:  **Managerial officers:**  **Head of accounting:** 

Independent Auditors' Report Translated from Chinese

To TAIYEN BIOTECH CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of TAIYEN BIOTECH CO., LTD. and its subsidiaries (hereinafter referred to as "the Group") as of 31 December 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of 31 December 2023 and 2022, and their consolidated financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 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, and we do not provide a separate opinion on these matters.

1. Disclosure of investment property fair value

As of 31 December 2023, the Group's net investment property at cost amounted to NT$1,234,062 thousand, and constituted 16% of total consolidated assets, which was material to the financial statements. Considering the evaluation process on the fair value of the investment property made by management is complicated, and related assumptions are based on the evaluation report provided by external specialists and affected by expected future market or economy, we therefore determined this a key audit matter.

Our audit procedures of key assumption used in disclosure of investment property included, but not limited to, understanding the evaluation report by external specialists offered by the Group, and the assumptions and assessment method used, especially the rent and land price of the investment property, which we compared to open market information to analyze the reasonability. We also enlisted internal specialists to assist in evaluating the reasonability of the assumption and assessment method made by external specialists used by the Group.

We also assessed the adequacy of disclosures of the investment property. Please refer to Notes V and VI(8) to the Group's consolidated financial statements.

2. Valuation for slow-moving inventories

As of 31 December 2023, the Group's net inventories amounted to NT$394,735 thousand, and constituted 5% of total consolidated assets. Considering that the assessment of slow-moving inventories should take into consideration product validity period and changes in market, therefore involving significant judgement of management, and that the amount of inventory write-downs was significant to the Group, we determined this as a key audit matter.

Our audit procedures included, but not limited to, testing the effectiveness of internal control on inventories established by management; evaluating the appropriateness of management's accounting policies regarding slow-moving and obsolete inventory, including sample testing the accuracy of inventory aging interval and reviewing the consumption of raw material and sales of finished goods; and evaluating the reasonableness of the policy of slow-moving inventories and the circumstances in which loss of slow-moving inventories should be individually booked.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI(6) to the Group's consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China 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 ability to continue as a going concern of the Group, 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 audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, 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 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company for the years ended 31 December 2023 and 2022.

Tseng, Yu-Che

Lee, Fang-Wen

Ernst & Young, Taiwan
11 March 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2023	31 Dec. 2022	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 Dec. 2023	31 Dec. 2022
Current assets				Current liabilities			
Cash and cash equivalents	IV/VI.1	$1,444,734	$1,529,098	Short-term borrowings	IV/VI.10	$100,000	$20,000
Current financial assets at fair value through profit or loss	IV/VI.2	390,613	353,179	Current contract liabilities	IV/VI.15	98,034	102,230
Current financial assets at amortized cost	IV/VI.3、16/VIII	4,235	4,944	Notes payable		97,018	132,924
Current contract assets	IV/VI.15、16	393,380	472,758	Trade payables		287,484	266,136
Notes receivable, net	IV/VI.4、16	2,679	2,006	Others payable		311,397	288,752
Trade receivable, net	IV/VI.5、16	267,172	175,518	Current tax liabilities	IV/VI.21	66,293	42,170
Inventories, net	IV/VI.6	394,735	407,366	Lease liabilities, current	IV/VI.17	7,261	9,270
Other current assets		128,701	149,088	Long-term borrowings, current portion	IV/VI.11/VIII	15,313	8,646
Total current assets		3,026,249	3,093,957	Other current liabilities		118,226	55,921
				Total current liabilities		1,101,026	926,049
Non-current assets							
Non-Current financial assets at amortized cost	IV/VI.3、16/VIII	33,960	33,960	Non-current liabilities			
Property, plant and equipment	IV/VI.7	3,872,461	3,674,664	Long-term borrowings, non-current portion	IV/VI.11/VIII	72,503	68,927
Right-of-use assets	IV/VI.17	32,912	38,198	Deferred tax liabilities	IV/VI.21	34,381	34,232
Investment properties	IV/VI.8、17	1,234,062	1,259,749	Lease liabilities, non-current	IV/VI.17	25,093	28,594
Intangible assets		6,414	5,341	Long-term deferred revenue	IV/VI.12	307,188	320,053
Deferred tax assets	IV/VI.21	81,899	72,124	Net defined benefit liability, non-current	IV/VI.13	94,038	62,387
Prepayments for equipment		1,832	-	Guarantee deposits		131,453	108,534
Refundable deposits		5,821	6,037	Other non-current liabilities, others		5,222	986
Other non-current assets	IV/VI.9	24,133	27,636	Total non-current liabilities		669,878	623,713
Total non-current assets		5,293,494	5,117,709	Total liabilities		1,770,904	1,549,762
				Equity attributable to the parent company			
				Common stock	IV/VI.14	2,000,000	2,000,000
				Capital surplus	IV/VI.14	2,501,782	2,501,718
				Retained earnings	IV/VI.14		
				Legal reserve		1,392,111	1,346,026
				Special reserve		45,420	45,420
				Unappropriated earnings		555,306	631,044
				Subtotal		1,992,837	2,022,490
				Other equity		(3,380)	(2,994)
				Non-controlling interests	VI.14	57,600	140,690
				Total equity		6,548,839	6,661,904
				Total liabilities and equity		$8,319,743	$8,211,666
Total assets		$8,319,743	$8,211,666				

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

ITEMS	NOTE	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Operating revenue	IV/VI.15/VII	$3,408,811	$3,613,607
Operating costs	IV/VI.6、9、13、18	(2,151,333)	(2,337,002)
Gross profit		1,257,478	1,276,605
Operating expenses	IV/VI.9、13、16、17、18		
Sales and marketing expenses		(589,498)	(553,681)
General and administrative expenses	VII	(212,485)	(217,234)
Research and development expenses		(60,495)	(60,640)
Expected credit losses (gains)		(81,572)	-
Subtotal		(944,050)	(831,555)
Operating income		313,428	445,050
Non-operating income and expenses			
Other income	IV/VI.19	113,038	121,579
Other gains and losses	IV/VI.9、19	(94,001)	(31,519)
Financial costs	IV/VI.19	(3,349)	(4,523)
Subtotal		15,688	85,537
Income from continuing operations before income tax		329,116	530,587
Income tax expense	IV/VI.21	(111,820)	(103,071)
Net income		217,296	427,516
Other comprehensive income (loss)	IV/VI.20		
Not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the defined benefit plans		(37,549)	41,070
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income		-	206
Income tax related to items that will not be reclassified subsequently		7,510	(8,214)
To be reclassified to profit or loss in subsequent periods			
Exchange differences resulting from translating the financial statements of foreign operations		(386)	242
Total other comprehensive income, net of tax		(30,425)	33,304
Total comprehensive income		$186,871	$460,820
Net income attributable to:			
Stockholders of the parent		$300,386	$426,704
Non-controlling interests		$(83,090)	$812
Comprehensive income attributable to:			
Stockholder of the parent		$269,961	$460,008
Non-controlling interests		$(83,090)	$812
Earnings per share (NTD)	VI.22		
Earnings per share-basic		$1.50	$2.13
Earnings per share-diluted		$1.50	$2.13

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ITEMS	Equity attributable to the parent company								Non-controlling interests	Total equity
			Retained earnings			Other equity				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent		
Balance as of 1 January 2022	$2,000,000	$2,501,686	$1,305,944	$45,420	$510,281	$(3,236)	$1,079	$6,361,174	$152,203	$6,513,377
Appropriation and distribution of 2021 retained earnings										
Legal reserve	-	-	40,082	-	(40,082)	-	-	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)	-	(300,000)
Other changes in additional paid-in capital	-	32	-	-	-	-	-	32	-	32
Net income for the year ended 31 December 2022	-	-	-	-	426,704	-	-	426,704	812	427,516
Other comprehensive income (loss) for the year ended 31 December 2022	-	-	-	-	32,856	242	206	33,304	-	33,304
Total comprehensive income	-	-	-	-	459,560	242	206	460,008	812	460,820
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,285	-	(1,285)	-	-	-
Subsidiaries distribute cash dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	(12,325)	(12,325)
Balance as of 31 December 2022	$2,000,000	$2,501,718	$1,346,026	$45,420	$631,044	$(2,994)	$-	$6,521,214	$140,690	$6,661,904
Balance as of 1 January 2023	$2,000,000	$2,501,718	$1,346,026	$45,420	$631,044	$(2,994)	$-	$6,521,214	$140,690	$6,661,904
Appropriation and distribution of 2022 retained earnings										
Legal reserve	-	-	46,085	-	(46,085)	-	-	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)	-	(300,000)
Other changes in additional paid-in capital	-	64	-	-	-	-	-	64	-	64
Net income for the year ended 31 December 2023	-	-	-	-	300,386	-	-	300,386	(83,090)	217,296
Other comprehensive income (loss) for the year ended 31 December 2023	-	-	-	-	(30,039)	(386)	-	(30,425)	-	(30,425)
Total comprehensive income	-	-	-	-	270,347	(386)	-	269,961	(83,090)	186,871
Balance as of 31 December 2023	$2,000,000	$2,501,782	$1,392,111	$45,420	$555,306	$(3,380)	$-	$6,491,239	$57,600	$6,548,839

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ITEMS	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Cash flows from operating activities:		
Net income before tax	$329,116	$530,587
Adjustments for:		
Income and expense adjustments:		
Depreciation	186,897	183,878
Amortization	11,162	11,070
Expected credit losses	81,572	-
Net (losses) gains on financial assets or liabilities at fair value through profit or loss	(7,434)	360
Interest expense	3,349	4,523
Interest revenue	(35,929)	(17,875)
Losses on disposal of property, plant and equipment	1,279	1,279
Losses on disposals of investment properties	-	2
(Gains) on disposals of other assets	-	(23)
Losses on disaster	4,134	5,538
Changes in operating assets and liabilities:		
Contract assets	79,378	89,249
Notes receivable, net	(673)	2,574
Trade receivables, net	(165,213)	15,498
Inventories	(2,898)	(25,231)
Other current assets	13,428	9,223
Contract liabilities	(4,196)	23,210
Notes payable	(39,329)	17,985
Accounts payable	21,348	(104,596)
Others payable	21,537	(21,447)
Other current liabilities	62,305	7,627
Net defined benefit liabilities	(5,898)	(5,349)
Other non-current liabilities	(8,629)	(13,133)
Cash generated from operations	545,306	714,949
Interest paid	(921)	(816)
Income tax paid	(89,846)	(133,444)
Net cash provided by operating activities	454,539	580,689

ITEMS	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,266
Acquisition of financial assets at amortized cost	-	(1,544)
Proceeds from disposal of financial assets at amortized cost	709	-
Proceeds from disposal of financial assets at fair value through profit or loss	(30,000)	-
Acquisition of property, plant and equipment	(339,818)	(246,113)
Proceeds from disposal of property, plant and equipment	-	144
Increase in refundable deposits	-	(592)
Decrease in refundable deposits	216	-
Acquisition of intangible assets	(3,483)	(490)
Increase in prepayments for equipment	(1,832)	-
Interest received	34,908	17,694
Net cash (used in) investing activities	(339,300)	(229,635)
Cash flows from financing activities		
Increase in short-term loans	290,000	440,000
Decrease in short-term loans	(210,000)	(707,530)
Borrowing of long-term debt	20,000	25,260
Repayments of long-term debt	(9,757)	(5,056)
Increase in guarantee deposits	22,919	26,120
Cash payments for the principle portion of the lease liabilities	(10,070)	(10,620)
Cash dividends	(300,000)	(300,000)
Interest paid	(2,374)	(3,860)
Change in non-controlling interests	-	(12,325)
Other changes in capital surplus	64	32
Net cash (used in) financing activities	(199,218)	(547,979)
Effect of exchange rate changes on cash and cash equivalents	(385)	242
Net (decrease) in cash and cash equivalents	(84,364)	(196,683)
Cash and cash equivalents at the beginning of year	1,529,098	1,725,781
Cash and cash equivalents at the end of year	$1,444,734	$1,529,098

Independent Auditors' Report Translated from Chinese

To TAIYEN BIOTECH CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of TAIYEN BIOTECH CO., LTD. (the "Company") as of 31 December 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended 31 December 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of 31 December 2023 and 2022, and its financial performance and cash flows for the years ended 31 December 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the 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 (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, 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 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, and we do not provide a separate opinion on these matters.

1. <u>Disclosure of investment property fair value</u>

As of 31 December 2023, the Company's net investment property measured at cost amounted to NT$1,234,062 thousand, and constituted 16% of total assets of the parent company, which was material to the financial statements. Considering the evaluation process on the fair value of the investment property made by management is complicated, and related assumptions are based on the evaluation report provided by external specialists and affected by expected future market or economy, we therefore determined this a key audit matter.

Our audit procedures of key assumption used in disclosure of investment property included, but not limited to, understanding the evaluation report made by the external specialists offered by the Company, and the assumptions and assessment method used, especially the rent and land price of the investment property, which we compared to open market information to analyze the reasonability. We also enlisted internal specialists to assist in evaluating the reasonability of the assumption and assessment method made by external specialists used by the Company.

We also assessed the adequacy of disclosures of investment property. Please refer to Notes V and VI.9 to the Company’s parent company only financial statements.

2. Valuation for slow-moving inventories

As of 31 December 2023, the Company’s net inventories amounted to NT$394,568 thousand, and constituted 5% of total assets. Considering that the assessment of slow-moving inventories should take into consideration product validity period and changes in market, therefore involving significant judgement of management, and that the amount of inventory write-downs was significant to the Company, we determined this as a key audit matter.

Our audit procedures included, but not limited to, testing the effectiveness of internal control on inventories established by management; evaluating the appropriateness of management’s accounting policies regarding slow-moving and obsolete inventory, including sample testing the accuracy of inventory aging interval and reviewing the consumption of raw material and sales of finished goods; and evaluating the reasonableness of the policy of slow-moving inventories and the circumstances in which loss of slow-moving inventories should be individually booked.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes V and VI.6 to the Company’s parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, 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 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 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Tseng, Yu-Che

Lee, Fang-Wen

Ernst & Young, Taiwan
11 March 2024

Notice to Readers

The accompanying financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY BALANCE SHEETS

31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	Notes	31 Dec. 2023	31 Dec. 2022	LIABILITIES AND SHAREHOLDERS' EQUITY	Notes	31 Dec. 2023	31 Dec. 2022
Current assets				Current liabilities			
Cash and cash equivalents	IV/VI.1	$1,299,930	$1,393,693	Current contract liabilities	IV/VI.14	$33,802	$46,521
Current financial assets at fair value through profit or loss	IV/VI.2	390,613	353,179	Notes payable		96,970	132,924
Notes receivable, net	IV/VI.4、15	2,656	2,006	Trade payable		53,853	77,249
Trade receivables, net	IV/VI.5、15	158,753	167,613	Others payable		278,152	262,170
Inventories, net	IV/VI.6	394,568	402,767	Current tax liabilities	IV/VI.20	66,293	36,416
Other current assets		87,357	25,792	Lease liabilities, current	IV/VI.16	5,450	5,859
Total current assets		2,333,877	2,345,050	Other current liabilities		55,220	46,055
				Total current liabilities		589,740	607,194
Non-current assets				Non-current liabilities			
Non-current financial assets at amortized cost	IV/VI.3/VIII	33,960	33,960	Deferred tax liabilities	IV/VI.20	34,381	34,232
Investments accounted for using equity method	IV/VI.7	136,577	301,546	Lease liabilities, non-current	IV/VI.16	24,374	27,255
Property, plant and equipment	IV/VI.8	3,766,689	3,580,284	Long-term deferred revenue	IV/VI.11	307,188	320,053
Right-of-use assets	IV/VI.16	30,382	33,447	Net defined benefit liability, non-current	IV/VI.12	94,038	62,387
Investment properties	IV/VI.9、16	1,234,062	1,259,749	Guarantee deposits		103,719	85,280
Intangible assets		3,888	4,362	Other non-current liabilities, others		1,222	986
Deferred tax assets	IV/VI.20	77,070	67,092	Total non-current liabilities		564,922	530,193
Refundable deposits		5,263	5,475	Total liabilities		1,154,662	1,137,387
Other non-current assets	IV/VI.10	24,133	27,636				
Total non-current assets		5,312,024	5,313,551	Equity			
				Common stock	IV/VI.13	2,000,000	2,000,000
				Capital surplus	IV/VI.13	2,501,782	2,501,718
				Retained earnings	IV/VI.13		
				Legal reserve		1,392,111	1,346,026
				Special reserve		45,420	45,420
				Unappropriated earnings		555,306	631,044
				Subtotal		1,992,837	2,022,490
				Other equity		(3,380)	(2,994)
				Total equity		6,491,239	6,521,214
Total assets		$7,645,901	$7,658,601	Total liabilities and equity		$7,645,901	$7,658,601

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings per share)

ITEMS	NOTES	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Operating revenue	IV/VI.14/VII	$3,171,759	$3,044,180
Operating costs	IV/VI.6、10、12、17	(1,844,877)	(1,826,787)
Gross profit		1,326,882	1,217,393
Operating expenses	IV/VI.10、12、15、16、17		
Sales and marketing expenses		(565,888)	(534,773)
General and administrative expenses	VII	(173,559)	(184,415)
Research and development expenses		(58,401)	(55,914)
Subtotal		(797,848)	(775,102)
Operating income		529,034	442,291
Non-operating income and expenses			
Other income	IV/VI.18	111,759	88,674
Other gains and losses	IV/VI.10、18	(63,547)	(5,641)
Financial costs	IV/VI.18	(699)	(685)
Share of profit of associates and joint ventures accounted for using equity method	IV/VI.7	(164,583)	3,637
Subtotal		(117,070)	85,985
Income from continuing operations before income tax		411,964	528,276
Income tax expense	IV/VI.20	(111,578)	(101,572)
Net income		300,386	426,704
Other comprehensive income (loss)	IV/VI.19		
Not to be reclassified to profit or loss in subsequent periods			
Remeasurements of the defined benefit plans		(37,549)	41,070
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income		-	206
Income tax related to items that will not be reclassified subsequently		7,510	(8,214)
To be reclassified to profit or loss in subsequent periods			
Exchange differences resulting from translating the financial statements of foreign operations		(386)	242
Total other comprehensive income, net of tax		(30,425)	33,304
Total comprehensive income		$269,961	$460,008
Earnings per share (NTD)	VI.21		
Earnings per share-basic		$1.50	$2.13
Earnings per share-diluted		$1.50	$2.13

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ITEMS	Common stock	Capital surplus	Retained earnings			Other equity		Total equity
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
Balance as of 1 January 2022	$2,000,000	$2,501,686	$1,305,944	$45,420	$510,281	$(3,236)	$1,079	$6,361,174
Appropriation and distribution of 2021 retained earnings								
Legal reserve	-	-	40,082	-	(40,082)	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)
Other changes in additional paid-in capital	-	32	-	-	-	-	-	32
Net income for the year ended 31 December 2022	-	-	-	-	426,704	-	-	426,704
Other comprehensive income (loss) for the year ended 31 December 2022	-	-	-	-	32,856	242	206	33,304
Total comprehensive income	-	-	-	-	459,560	242	206	460,008
Disposal of investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,285	-	(1,285)	-
Balance as of 31 December 2022	$2,000,000	$2,501,718	$1,346,026	$45,420	$631,044	$(2,994)	$-	$6,521,214
Balance as of 1 January 2023	$2,000,000	$2,501,718	$1,346,026	$45,420	$631,044	$(2,994)	$-	$6,521,214
Appropriation and distribution of 2022 retained earnings								
Legal reserve	-	-	46,085	-	(46,085)	-	-	-
Cash dividends	-	-	-	-	(300,000)	-	-	(300,000)
Other changes in additional paid-in capital	-	64	-	-	-	-	-	64
Net income for the year ended 31 December 2023	-	-	-	-	300,386	-	-	300,386
Other comprehensive income (loss) for the year ended 31 December 2023	-	-	-	-	(30,039)	(386)	-	(30,425)
Total comprehensive income	-	-	-	-	270,347	(386)	-	269,961
Balance as of 31 December 2023	$2,000,000	$2,501,782	$1,392,111	$45,420	$555,306	$(3,380)	$-	$6,491,239

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO.,LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended 31 December 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ITEMS	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Cash flows from operating activities:		
Net income before tax	$411,964	$528,276
Adjustments for:		
Income and expense adjustments:		
Depreciation	174,558	171,445
Amortization	10,658	10,552
Net (losses) gains on financial assets at fair value through profit or loss	(7,434)	360
Interest expense	699	685
Interest revenue	(35,519)	(17,648)
Losses and (gains) of associates for using the equity method	164,583	(3,637)
Losses on disposal of property, plant and equipment	1,268	662
Losses on disposals of investment properties	-	2
Losses on disaster	4,134	5,538
Changes in operating assets and liabilities:		
Notes receivable, net	(650)	519
Trade receivables, net	8,860	(3,393)
Inventories	(7,330)	(83,996)
Other current assets	(60,544)	(3,586)
Contract liabilities	(12,719)	9,658
Notes payable	(39,377)	18,174
Accounts payable	(23,396)	12,500
Others payable	15,982	(6,018)
Other current liabilities	9,165	3,402
Net defined benefit liabilities	(5,898)	(5,349)
Other non-current liabilities	(12,629)	(13,132)
Cash generated from operations	596,375	625,014
Interest paid	(699)	(685)
Dividend received	-	24,742
Income tax paid	(84,020)	(119,550)
Net cash provided by operating activities	511,656	529,521

ITEMS	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,266
Acquisition of financial assets at fair value through profit or loss	(30,000)	-
Acquisition of property, plant and equipment	(320,764)	(243,202)
Increase in refundable deposits	-	(906)
Decrease in refundable deposits	212	-
Acquisition of intangible assets	(1,432)	(395)
Interest received	34,498	17,467
Net cash used in investing activities	(317,486)	(225,770)
Cash flows from financing activities		
Increase in guarantee deposits	18,439	20,926
Cash payments for the principle portion of the lease liabilities	(6,436)	(6,458)
Cash dividends	(300,000)	(300,000)
Other changes in capital surplus	64	32
Net cash used in financing activities	(287,933)	(285,500)
Net (decrease) increase in cash and cash equivalents	(93,763)	18,251
Cash and cash equivalents at the beginning of year	1,393,693	1,375,442
Cash and cash equivalents at the end of year	$1,299,930	$1,393,693

Attachment 5

Taiyen Biotech Co., Ltd.
2023 Earnings Distribution Table

Item	Amount		Remarks
	Subtotal	Total	
Unappropriated Retained Earnings of Previous Years		284,960,877	**1. Article 34 of the Articles of Association**
Plus:			
Actuarial (losses) gains of defined benefits		(30,040,256)	**2. Actuarial gains and losses on defined benefits (carried forward from other comprehensive income to retained earnings)**
Adjusted Unappropriated Retained Earnings		254,920,621	
Plus:		300,386,116	
Net income of 2023	300,386,116		
Adjusted Retained Earnings Available for Distribution		555,306,737	
Less.			**3. Article 35(2) of the Articles of Association** The Company's current net income, after deducting the previous years' losses, shall appropriate 10% as legal reserve and special reserve according to the company laws and other regulations of R.O.C. If there is still more than the accumulated undistributed income in the previous year, the board of directors shall propose an income distribution proposal. The distribution of dividends to shareholders can be distributed at least 10% of the accumulated undistributed surplus, of which the cash portion should not be less than 50%.
Legal Reserve		(27,034,586)	
Distribution item:		(240,000,000)	
Dividends to shareholders - cash dividends (NT$1.2 per share)	(240,000,000)		
Unappropriated Retained Earnings		288,272,151	

Chairman of the Board： Manager： Head of Accounting：