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台塩生技
TAIYEN

Taiyen Biotech Co., Ltd.

Annual Report for 2023

2023 ANNUAL REPORT

Published on May 19, 2024

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry

None

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Table of Contents

Chapter I. Letter to Shareholders

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:

Year / Item	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.

Chapter II. Company Profile

I. Date of Incorporation: July 1, 1995.

II. Company History

1. 1952 Taiwan Salt Works (TSW) was established under the Ministry of Economic Affairs.
2. 1953 Taiwan Salt Works (TSW) was under the jurisdiction of the Ministry of Finance.
3. 1966 Began full iodization of dietary salt production; established new transportation, sales and storage network to boost growth.
4. 1974 Increased capital through capital surplus and earned surplus, with paid-in capital reaching NT$400 million.
5. 1975 Tung-Hsiao Electrodialysis Refined Salt Factory was built to manufacture and produce salt through electrodialysis.
6. 1977 Anshun Factory of Taiwan Alkali Company was merged into Taiwan Salt Works in Tainan.
7. 1981 Taiwan Salt Works (TSW) was under the jurisdiction of the Ministry of Economic Affairs.
8. 1982 By-product Workshop of Tung-Hsiao Electrodialysis Refined Salt Factory was built.
9. 1985 By-product Workshop was put into production.
10. 1986 Budai Saltworks began automated production.
11. 1987 Cigu Saltworks began automated production.
12. 1988 Tainan Saltworks began automated production.
13. 1995 Taiwan Salt Works (TSW) was reorganized into Taiwan Salt Industrial Corp. (TSIC), with capital of NT$40,391,980 thousand used by the central government to invest in the new company.
    Tung-Hsiao Electrodialysis Refined Salt Factory passed ISO9001 certification by Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs.
14. 1998 Increased capital by NT$912 thousand through land payment, decreased capital by NT$6,415,631 thousand through land payment and NT$10,910,264 thousand in cash, resulting in paid-in capital of NT$23,066,997 thousand.
15. 1999 Established Tainan Science Park Branch (Technology Factory).
16. 2000 Biotech Factory 3 passed Metal Centre Cosmetics Certification.
17. 2001 Established Biotech Factory and Chiayi Factory.
18. 2002 Taiwan's last salt field which rely on traditional sunshine, the Cigu Plant, discontinued operations in May.
    Divided Biotech Factory into Biotech Factory I and Biotech Factory II.
    Launched Lumiel, Taiyen's own cosmetics brand.
    Increased capital by NT$4,929,204 thousand through premium on capital stock, decreased capital by NT$25,496,201 thousand through land and fixed assets, resulting in paid-in capital of NT$2,500,000 thousand.
    Tung-Hsiao Electrodialysis Refined Salt Factory was certified by Food GMP.
    Biotech Factory 1 passed the GMP certification for medical devices by the Department of Health and ISO 9001 certification by TÜV Germany.
19. 2003 Began to develop our own biotechnology franchise access.
    Went public and completed privatization.
    Chiayi Factory was renamed Biotech Factory III.

20. 2004 Increased capital by NT$144,736,840 through issuance of shares to employees (NT$19,736,840) and shareholders (NT$125,000,000, NT$0.5/share), resulting in paid-in capital of NT$2,644,736,840.
Biotech Factory 1's Collagen Wound Covering Material "Medifil" and "Skin Temp" products were inspected and registered with the Department of Health and obtained the Medical Device Licence.

21. 2005 Increased capital by NT$136,218,160 through issuance of shares to employees (NT$56,876,060) and shareholders (NT$79,342,100, NT$0.3/share), resulting in paid-in capital of NT$2,780,955,000.

22. 2006 Assisted single mothers in joining the business for good cause.
Biotech Factory 2 passed ISO 9001 certification by TUV Germany.

23. 2007 Commenced construction of a salt depot at Taichung Port Free Trade Zone to manage the storage and transportation of imported salts.

24. 2008 Imported Salt Storage was officially opened.
Tung-Hsiao Electrodialysis Refined Salt Factory passed ISO22000 certification by Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs.
Biotech Factory 2 passed the GMP certification for food products (Natto cyanobacteria).

25. 2009 Biotech Factory I and Biotech Factory II were merged and renamed Biotech Health Product Factory; Biotech Factory III was renamed Biotech Cosmetics Factory.
Taiyen Biotech Co., Ltd. Tung-Hsiao Tourism Park was officially opened.

26. 2010 Taiyen (Xiamen) Import and Export Co., Ltd. was formally established.

27. 2011 In order to retain excellent talents and strengthen the centripetal force of employees, the company started to organise an employee shareholding trust.
Tung-Hsiao Electrodialysis Refined Salt Factory passed the DNV Greenhouse Gas Emission Verification and obtained the declaration certificate, and passed the Ministry of Economic Affairs' Tourism Factory Evaluation, becoming the first tourism salt factory in Taiwan.
Biotech Cosmetics Factory received "good manufacturing of voluntary cosmetics (cosmetics GMP)" and ISO 22716 certification.
The Company's toothpaste obtained CNS12681/ISO9001:2015 certification for the first time.

28. 2012 The Research and Analysis Laboratory obtained ISO/IEC 17025:2005 TAF National Laboratory Certification.
The company launched a new system of "entrusted franchise", in which Taiyen provides the shop space, equipment and rent for biotech stores and entrusts the franchisee to operate the shop.
Salt and packaged drinking water products were certified by HALAL - Taiwan Halal Integrity Development Association (THIDA).
Taiyen Tung-Hsiao Tourist Park (Yen-Lai-Kan) has been evaluated by the Ministry of Economic Affairs as an excellent tourist factory.

29. 2013 The company is the first one in Taiwan to obtain the Halal certification for cosmetic products.
In accordance with the approval of the shareholders' meeting in 2013, a capital reduction of RMB780,955,000 was approved, representing a capital reduction ratio of 28.1%. After the capital reduction, the paid-in capital amounted to NT$2,000,000,000.

30. 2014 Salt products were certified by HALAL - Taiwan Halal Integrity Development Association (THIDA).

Biotech Healthcare Plant obtained HACCP and ISO22000 certifications.
The company changed from a chemical company to a food company.

31. 2015 In order to strengthen its commitment to environmental protection, corporate governance and social welfare, the company issued its first ever Corporate Social Responsibility (CSR) report.

32. 2016 Tung-Hsiao Electrodialysis Refined Salt Factory obtains TQF certification and Food Safety Management System certification.

33. 2017 Taiyen Green Energy Co., Ltd. was formally established.
The CSR report was honored with the "2017 Taiwan Corporate Sustainability Award" in the category of Sustainability Reporting, Traditional Manufacturing Industry - Category 2, Gold Level.
Tung-Hsiao Electrodialysis Refined Salt Factory passed TOSHMS-2007 and CNS15506 certification.
The Biotechnology and Healthcare Factory is certified fir its Organic Agricultural Product Production Line.

34. 2018 The seawater intake pipe renewal project was completed for Tung-Hsiao Electrodialysis Refined Salt Factory, laying an important foundation for the quality of salt and packaged aquatic products.

35. 2020 Tung-Hsiao Electrodialysis Refined Salt Factory was certified by ISO 45001:2018 Occupational Safety and Health Management System and CNS 45001:2018 Taiwan Occupational Safety and Health Management System.

36. 2021 Tung-Hsiao Electrodialysis Refined Salt Factory was certified with a Healthy Workplace/Healthy Start-up Label.

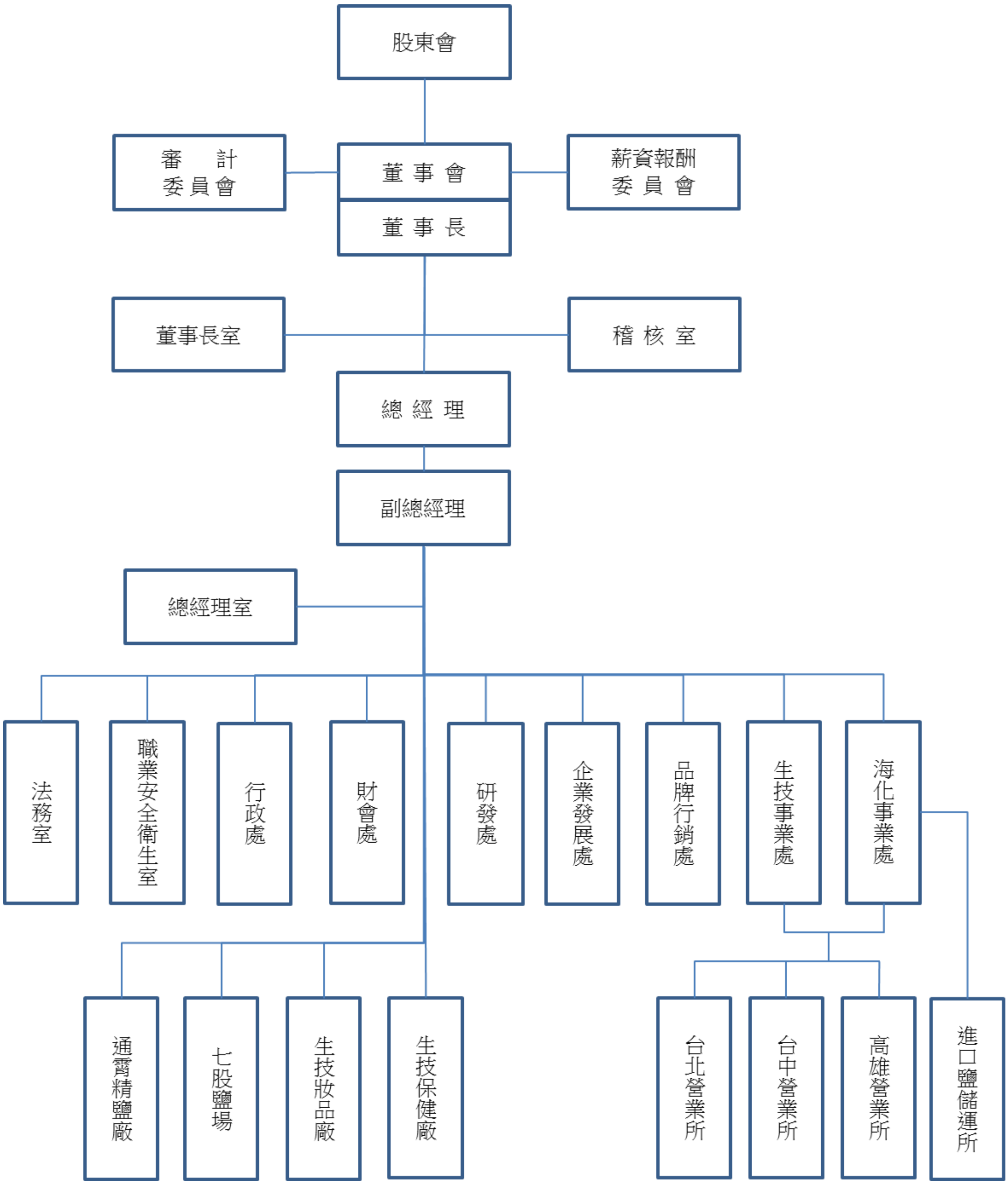
37. 2022 The company's Biotech Cosmetics factory obtained the first environmental label certification for its cleaning products.
Tung-Hsiao Electrodialysis Refined Salt Factory completed the steam and electricity co-generation equipment replacement and modernization project.

38. 2023 The Luzhu solar power plant was opened.

Chapter III. Corporate Governance Report

I. Organization Structure

(1) Organizational Chart



Note: Biotech Health Products Factory was originally Biotech Factory I & Biotech Factory II; Biotech Cosmetics Factory was originally Biotech Factory III; Taipei Sales Office, Taichung Sales Office, and Kaohsiung Sales Office were originally Taipei Office, Taichung Office, and Kaohsiung Office. Business registrations are yet to be changed.

(2) Responsibilities of Major Departments

i. Chairman's Office

Responsible for handling administrative affairs of the Board of Directors.

ii. Auditing Office

Responsible for handling matters in relation to internal control and internal auditing.

iii. President's Office

Responsible for handling confidential work, reviewing official documents, and coordinating comprehensive affairs under the orders of the President and Vice President.

iv. General Affairs Department

(1) Responsible for planning and executing annual procurement plans.
(2) Responsible for planning, recruiting, employing, cultivating, and retaining human resources company-wide.
(3) Responsible for formulating and amending human resources policies and regulations.
(4) Responsible for planning and executing talent development plans.
(5) Responsible for planning and executing morale boost plans.
(6) Responsible for managing company documents.
(7) Responsible for managing general affairs and access control.
(8) Responsible for maintaining labor relations, organizing employee welfare activities, and gathering cohesion among employees.
(9) Responsible for handling and properly keeping cash, securities, and bills.
(10) Responsible for handling cash payments.

v. Corporate Development Department

(1) Responsible for developing business strategies and analyzing business performance to improve the overall business operations.
(2) Responsible for evaluating and managing reinvestments to expand the scale of business.
(3) Responsible for making plans for business operations.
(4) Responsible for planning, installing, and maintaining software/hardware systems to quickly provide information services required for business operations.
(5) Responsible for drawing up Cybersecurity Policies to protect company interests.
(6) Responsible for drawing up, reviewing, and managing strategies/systems/regulations/plans for company-wide production to effectively execute production shutdown, scrapping, inventory control, and outsourcing.
(7) Responsible for planning and executing cost reduction plans, production and sales coordination, quality improvement, quality crisis management, inventory management, and research and improvement of process technology, and supervising and supporting the production of each factory.

vi. Salt and Water Business Division

(1) Responsible for planning and executing channel management and expansion,

business strategies, and sales plans of the salt and water business to achieve annual revenue and profit targets.

(2) Responsible for planning and executing the business management of business units and distribution partners.
(3) Responsible for planning and executing the development and ODM/OEM of salt and water products.
(4) Responsible for planning and executing the overseas expansion, distribution, and import/export permit application of salt and water products.
(5) Responsible for collecting information on sales and markets.
(6) Responsible for planning and executing promotions.
(7) Responsible for planning the launch and marketing of new products.

vii. Biotech Business Division

(1) Responsible for planning and executing channel management and expansion, business strategies, and sales plans of the biotech business to achieve annual revenue and profit targets.
(2) Responsible for planning and executing the business management of stores, business units, and distribution partners.
(3) Responsible for planning and executing the development, distribution, and online marketing of biotech products.
(4) Responsible for planning and executing the overseas expansion, distribution, and import/export permit application of biotech products.
(5) Responsible for collecting information on sales and markets.
(6) Responsible for planning and executing promotions.
(7) Responsible for planning the launch and marketing of new products.

viii. Branding and Marketing Department

(1) Responsible for planning brand strategies and management, market and consumer behavior surveys, and marketing strategies and consumer behavior study.
(2) Responsible for planning and executing the visual design and application, social media marketing, and advertising campaigns of products and the corporate identity.
(3) Responsible for planning and executing the development of cultural and creative business and recreation business.
(4) Responsible for planning and executing business relations, the corporate image, and public relations.
(5) Responsible for planning and executing customer services.

ix. Financial Accounting Department

(1) Responsible for planning, reviewing, and controlling annual budgets.
(2) Responsible for preparing financial statements and handling related matters
(3) Responsible for analyzing and proposing the costs, prices, and profits of products
(4) Responsible for properly managing finances and accounts in line with the amendments to relevant audit, securities, and tax laws and regulations.
(5) Responsible for designing and modifying accounting policies and systems, executing internal audit and accounting treatment, and keeping complete records.
(6) Responsible for supervising and assisting in the accounting affairs of departments and subsidiaries.

(7) Responsible for filing tax return.
(8) Responsible for analyzing the financial situation, operating results, and potential risks.
(9) Responsible for raising, allocating, and utilizing funds.
(10) Responsible for handling land development and fix assets management.
(11) Responsible for handling shareholder services and disclosing material information.
(12) Responsible for handling wealth management and other financial affairs.

x. R & D Department
(1) Responsible for developing strategies for technological development.
(2) Responsible for studying trends in product development.
(3) Responsible for executing the research and development of products and technologies based on product managers' planning to increase revenue.
(4) Responsible for studying and introducing new technologies to increase competitiveness.
(5) Responsible for developing and authenticating key raw materials/components, promoting product stories and effects, and increasing product value.
(6) Responsible for evaluating the partners' technologies to expand the scope of business and investment opportunities.
(7) Responsible for inspecting and analyzing raw materials and products to verify the quality of products.
(8) Responsible for promoting verification labs to improve verification skills and the corporate image.
(9) Responsible for applying for intellectual property rights for technologies/products with commercial value to protect the company rights and interests and research and development capabilities.
(10) Responsible for developing and improving mass production technology to increase quality and reduce costs
(11) Responsible for improving the quality of products to reduce customer complaints and costs and increase the corporate image.
(12) Responsible for properly managing research and development assets and resources.
(13) Responsible for managing the knowledge of research and development.

xi. Legal Affairs Office
(1) Responsible for handling civil and criminal litigation and non-litigation cases.
(2) Responsible for reviewing and revising the compliance of contracts, memoranda, letters of intent, and other contractual documents.
(3) Responsible for filing complaints or sending legal attest letters to protect the company rights and interests.
(4) Responsible for reviewing and revising company regulations.
(5) Responsible for giving legal consultation and advice.
(6) Responsible for handling the notarization of facts as evidence for making claims.
(7) Responsible for the compulsory enforcement against salaries according to court orders.
(8) Responsible for protecting intellectual property rights in cooperation with planning departments.
(9) Responsible for planning and executing other legal matters in dispute.

xii. Occupational Safety and Health Office

(1) Responsible for planning and executing annual occupational safety and health plans to reduce the occurrence of occupational disasters.

(2) Responsible for establishing and regularly updating the occupational safety and health management system according to statutory requirements.

(3) Responsible for regularly reviewing occupational safety and health certificates and training courses required by law to ensure that employees have up-to-date skills.

(4) Responsible for planning and executing annual health examination and management for employees to ensure that employees are competent.

(5) Responsible for executing the regular occupational safety and health audit of the production unit and proposing improvement plans to ensure the safety of employees and facilities.

(6) Responsible for collecting and updating information on occupational safety and health, amending company regulations, and giving advice in line with national laws.

(7) Responsible for regularly holding the Occupational Safety and Health Committee meetings to deliberate on, coordinate for, and give advice on safety and health matters.

II. Information on Directors, Supervisors, President, Vice Presidents, Assistant Vice Presidents, and Heads of All Departments and Branches

(I) Directors and Supervisors

Table 1: Term, Shareholding, Education and Work Experience, and Positions Concurrently Held at Other Companies

2024.04.23

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2	Date of Appointment	Term of Office	Date of First Appointment (Note 3)	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 4)	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor who Is Spouse or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
Acting Chairman of the Board	Republic of China	Ministry of Economic Affairs		2022.06.23 (Note 3-1)	3 years	1995.07.01	77,768,272	38.88%	77,768,272	38.88%	0	0	0	0	N/A	N/A	N/A	N/A	N/A	
Director (Representative of Juristic Person)	Republic of China	Liu, Ya-Chuan (Representative of Ministry of Economic Affairs)	Female Aged 51~ 60	—	—	—	0	0	0	0	0	0	0	0	■ Master's in Taiwan Studies, National Chengchi University ■ Bachelor's in Law, National Chengchi University ■ Section Chief, Specialised Committee Member and Deputy Executive Secretary, Regulations Committee, Ministry of Economic Affairs ■ Member on Objection Review Committee, Bureau of Foreign Trade ■ Deputy Director, Department of Commerce, Ministry of Economic Affairs	■ Deputy Director, Administration of Commerce, Ministry of Economic Affairs	N/A	N/A	N/A	
Directors	Republic of China	Ministry of Economic Affairs		2022.06.23	3 years	1995.07.01	77,768,272	38.88%	77,768,272	38.88%	0	0	0	0	N/A	N/A	N/A	N/A	N/A	
Director (Representative of	R.O.C.	Liao, Hsien-Kuei (Representative of Ministry	Male Aged 51~ 60	—	—	—	0	0	0	0	0	0	0	0	■ Doctor of Mechanical Engineering, National Taiwan University ■ Doctor of Photonics,	■ Distinguished professor at National Taiwan University of	N/A	N/A	N/A	

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2	Date of Appointment	Term of Office	Date of First Appointment (Note 3)	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 4)	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor who Is Spouse or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
Juristic Person)		of Economic Affairs)													National Chiao Tung University ■ Professor, Associate Professor, Assistant Professor, National Taiwan University of Science and Technology (NTUST) ■ Director, Department of Electronics and Institute of Optoelectronics, National Taiwan University of Science and Technology (NTUST) ■ Associate Dean, Faculty of Electricity and Information Technology, Director of Technology Transfer Centre, National Taiwan University of Science and Technology (NTUST) ■ Examiner of various bureaus and departments of the Ministry of Economic Affairs ■ Supervisor & Committee Convener, Consumers' Foundation Chinese Taipei ■ Supervisor/Secretary General, Taiwan Photonics Society	Science and Technology ■ Standing Councilor of Taiwan Photonics Society ■ Examining member at Information Department of New Taipei City ■ Member at Consumers' Foundation Chinese Taipei ■ Examining member at Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs				
Directors	Republic of China	Ministry of Economic Affairs		2022.06.23 (Note 3-2)	3 years	1995.07.01	77,768,272	38.88%	77,768,272	38.88%	0	0	0	0	N/A	N/A	N/A	N/A	N/A	
Director (Representative of Juristic Person)	R.O.C.	Representative of the Ministry of Economic Affairs: CHU, WEI-YI	Male Age: 41~50	—	—	—	0	0	0	0	0	0	0	0	■ M.S., Graduate Institute of Aircraft Systems Engineering, China University of Science and Technology ■ TaiyenTung-Hsiao Electrodialysis Refined Salt Factory Enterprise Trade Union -	■ Taiyen Tung-Hsiao Electrodialysis Refined Salt Factory - Director of Supply Workshop	N/A	N/A	N/A	

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2	Date of Appointment	Term of Office	Date of First Appointment (Note 3)	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 4)	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor who Is Spouse or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
															Executive Director, President ■ Taiyen Company Federation of Trade Unions - Executive Director					
Director	R.O.C.	Tung Wei Construction Co. Ltd.		2022.06.23	3 years	2022.06.23	10,000,000	5.00%	9,998,000	4.99%	0	0	0	0	N/A	N/A	N/A	N/A	N/A	
Director (Representative of Juristic Person)	R.O.C.	Representative of Tung Wei Construction Co. Ltd.: CHAO, KUO-HSIANG	Male Aged 61~ 70	—	—	—	0	0	0	0	19,000	0.01%	0	0	■ Architecture Dept. of Tunghai University ■ General Manager of Tung Wei Construction Co. Ltd., Collaborative Designer of CHHS Architecture & Interior Design	■ General Manager (Responsible Person) of Tung Wei Construction Co. Ltd.	N/A	N/A	N/A	
Director	R.O.C.	Sunshine Protech Inc.		2022.06.23	3 years	2010.12.23	797,337	0.40%	797,337	0.40%	0	0	0	0	N/A	N/A	N/A	N/A	N/A	
Director (Representative of Juristic Person)	R.O.C.	Chen-Kuan-Ping (Representative of Sunshine Protech Inc.)	Male Aged 61~ 70	—	—	—	0	0	0	0	0	0	0	0	■ Bachelor's in Economics, National Taiwan University ■ Independent Director of Universal Microwave Technology Inc.	■ Executive Assistant at Sunshine Protech Inc. ■ Independent Director of Universal Microwave Technology Inc.	N/A	N/A	N/A	
Independent Directors	Republic of China	LI, CHIA-LING	Female Aged 51~ 60	2022.06.23	3 years	2022.06.23	0	0	0	0	0	0	0	0	■ PhD, Department of Business Administration, Sun Yat-sen University ■ Supervisor, Corporate Synergy Development Center ■ Director of Finance, Ditmanson Medical Foundation Chia-Yi Christian Hospital ■ Director, PAU-KAN Foundation ■ Independent Director, Alcorlink Corp. ■ Director, Small and Medium Enterprise Credit Guarantee Fund of Taiwan	■ Professor, Department of Accounting, National Chengchi University	N/A	N/A	N/A	
Independ	R.O.C.	WU,	Male	2022.06.23	3 years	2022.06.23	0	0	0	0	0	0	0	0	■ Doctor of Business	■ Professor,	N/A	N/A	N/A	

Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2	Date of Appointment	Term of Office	Date of First Appointment (Note 3)	Shareholding at the Time of Appointment		Current Shareholding		Current Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 4)	Positions Concurrently Held at Other Companies	Executive, Director or Supervisor who Is Spouse or within the Second Degree of Kinship			Remark (Note 5)
							Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
ent Director		SHIH-HAO	Aged 61~ 70												Administration, National Taipei University ■ Vice President and Acting President, Commerce Development Research Institute ■ Independent Director, Taiwan Tobacco and Liquor Corporation	Department of Marketing and Distribution Management, National Kaohsiung University of Science and Technology ■ Hotai Motor Co., Ltd. - Independent Director ■ Director, Rising Sun Foundation ■ Director, Hoyu Education Foundation ■ Director, Huang Lie-Huo Education Foundation				
Independent Directors	Republic of China	LIN, YU-PEN	Male Age: 61~70	2023.06.19 (Note 3-3)	3 years	2023.06.19	0	0	0	0	0	0	0	0	■ M.S., Graduate School of Accounting, National Chengchi University ■ Responsible person of Tender Accounting Services Limited ■ Supervisor of Career Consulting Co. Ltd.	■ Responsible person of Tender Accounting Services Limited ■ Supervisor of Career Consulting Co. Ltd.	N/A	N/A	N/A	

Note 1: For institutional shareholders, indicate the names of the institutional shareholder and its representative respectively (for the representative of an institutional shareholder, the name of the institutional shareholder) and fill in Table 2 below.

Note 2: Please specify the actual age, and the description may be in range, such as aged 41-50 or 51-60.

Note 3: Fill in the duration of first being appointed as the director or supervisor. Give an explanation in case of any discontinuity.

Note 3-1: The Ministry of Economic Affairs elected the thirteenth director on 06/23/2022 and appointed WU, JUNG-HUI as the representative director, and WU, JUNG-HUI was elected as the chairman of the board by the board of directors. On 02/06/2023, WU, JUNG-HUI was relieved of his duties as Director and Chairman of the Board due to his other duties. On 02/06/2023, LIU, YA-CHUAN was elected as Acting Chairman by the Board of Directors.

Note 3-2: On 06/23/2022, the Ministry of Economic Affairs elected the 13th Director and appointed WANG, CHING-TIEN as the Representative of Labor Director. On 07/05/2023, due to the re-election of the labor union, representatives CHU, WEI-YI was appointed as labor director.

Note 3-3: The Ministry of Economic Affairs elected the 13th term of Directors on 06/23/2022. On 06/19/2023, HO, HUA-HSUN resigned as an independent director, and LIN, YU-PEN was reelected as the thirteenth independent director by the shareholders' meeting on 06/19/2023, and the term of office will expire on 06/22/ 2025.

Note 4: Fill in the work experience in relation to the current position. In case of service at the CPAs' accounting firm or its affiliate, indicate the title and responsibility of the position.

Note 5: Where the Chairman and the President or an equivalent position (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, indicate the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., appointment of independent directors and a majority of directors not serving concurrently as employees or managerial officers).

Table 2: Major Institutional Shareholders

2024.04.23

Name of Institutional Shareholder	Major Shareholder (Note 2)		
Ministry of Economic Affairs	N/A		
Sunshine Protech Inc.	HUANG, CHENG-HSUN	Shareholding Ratio:	58.43%
	WANG, HSIAO-YING	Shareholding Ratio:	36.23%
	HUANG, WEN-LIANG	Shareholding Ratio:	3.17%
	CHEN, KUAN-PING	Shareholding Ratio:	2.17%
Tungwei Construction	CHAO, KUO-HSIANG	Shareholding Ratio:	15.79%
	CS investment Co. , Ltd.	Shareholding Ratio:	13.55%
	Silver Asia Investments Limited	Shareholding Ratio:	14.44%
	CHEN, TZU-LING	Shareholding Ratio:	9.99%
	CHEN, TZU-JUNG	Shareholding Ratio:	9.99%
	CHEN, KUAN-TAO	Shareholding Ratio:	9.98%
	YEN, YUEH-HSIA	Shareholding Ratio:	7.29%
	TSAI, FENG-CHENG	Shareholding Ratio:	6.45%
	HSIEH, CHI-YEN	Shareholding Ratio:	4.65%
	YEN, CHIEN-CHENG	Shareholding Ratio:	2.62%

Note 1: If a director or supervisor is an institutional shareholder, fill in the name of the institutional shareholder.

Note 2: Fill in the name of the institutional shareholder's major shareholder (top 10% in terms of shareholding) and its shareholding (%). If the institutional shareholder's major shareholder is a judicial person, fill in Table 3 below.

Note 3: If a corporate shareholder is not a member of a corporate Organization, the name of the shareholder and the shareholding ratio that should be disclosed in the preceding paragraph are the name of the contributor and the ratio of the contribution (please refer to the announcement of the Judicial Yuan for details). If the donor is deceased, "deceased" should be added.

Table 3: Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

2024.04.23

Name of Institutional Shareholder	Major Shareholder (Note 2)	
Chien Sheng Investment Co., Ltd.	CHEN, TZU-JUNG	Shareholding Ratio: 31%
	CHEN, KUAN-TAO	Shareholding Ratio: 31%
	CHEN, TZU-LING	Shareholding Ratio: 31%
	HSIAO, CHENG-HSING	Shareholding Ratio: 2%
	YEN, HSIU-LAN	Shareholding Ratio: 2%
	YEN, CHIEN-CHENG	Shareholding Ratio: 2%
	WU, CHI-FEI	Shareholding Ratio: 1%

Name of Institutional Shareholder	Major Shareholder (Note 2)	
Hsin Tse Investment Co., Ltd.	CHEN, KUAN-TAO	Shareholding Ratio: 31%
	CHEN, TZU-JUNG	Shareholding Ratio: 31%
	CHEN, TZU-LING	Shareholding Ratio: 31%
	WU CHEN, SHU-LIEN	Shareholding Ratio: 2%
	YEN, HSIU-LAN	Shareholding Ratio: 2%
	YEN, CHIEN-CHENG	Shareholding Ratio: 2%
	WU, CHI-FEI	Shareholding Ratio: 1%

Note 1: If the major shareholder in Table 2 above is a legal entity, the name of the legal entity should be filled in.

Note 2: Fill in the name of the judicial person's major shareholder (top 10% in terms of shareholding) and its shareholding (%).

Note 3: If a corporate shareholder is not a member of a corporate Organization, the name of the shareholder and the shareholding ratio that should be disclosed in the preceding paragraph are the name of the contributor and the ratio of the contribution (please refer to the announcement of the Judicial Yuan for details). If the donor is deceased, "deceased" should be added.

Table 4: (1) Professional Qualifications of Directors and Supervisors and Information on the Independence of Independent Directors

Qualifications / Name	Professional Qualification and Experience (Note 1)	Independence Status (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as Independent Director
Liu, Ya-Chuan	Possess legal expertise and management experiences: Education: ■Master's in Taiwan Studies, National Chengchi University ■Bachelor's in Law, National Chengchi University Experience: ■Deputy Director, Administration of Commerce, Ministry of Economic Affairs ■Deputy Director, Department of Commerce, Ministry of Economic Affairs ■Section Chief, Specialised Committee Member and Deputy Executive Secretary, Regulations Committee, Ministry of Economic Affairs ■Member on Objection Review Committee, Bureau of Foreign Trade Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■Not a natural-person shareholder who holds shares, together with those held by the person’s spouse and relative within the second degree of kinship, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or who is ranked in the top 10 in terms of shareholding. ■Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a specific company or institution that has financial or business relations with the Company. ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.	N/A

Liao, Hsien-Kuei	Possess technology expertise, management expertise, and experiences: Education: ■Doctor of Mechanical Engineering, National Taiwan University, Doctor of Optoelectronics, National Chiao Tung University, Master of Business Administration, National Taiwan University, and Master of Science and Technology Law, National Tsing Hua University Experience: ■Distinguished professor at National Taiwan University of Science and Technology ■Standing Councilor of Taiwan Photonics Society ■Examining member at Information Department of New Taipei City ■Member at Consumers' Foundation Chinese Taipei ■Examining member at Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs ■Professor, Associate Professor, Assistant Professor, National Taiwan University of Science and Technology (NTUST) ■Director, Department of Electronics and Institute of Optoelectronics, National Taiwan University of Science and Technology (NTUST) ■Associate Dean, Faculty of Electricity and Information Technology, Director of Technology Transfer Centre, National Taiwan University of Science and Technology (NTUST) ■Examiner of various bureaus and departments of the Ministry of Economic Affairs ■Supervisor & Committee Convener, Consumers' Foundation Chinese Taipei ■Supervisor/Secretary General, Taiwan Photonics Society Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Not a natural-person shareholder who holds shares, together with those held by the person's spouse and relative within the second degree of kinship, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or who is ranked in the top 10 in terms of shareholding. ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.	N/A

CHU, WEI-YI	Possess management expertise and experiences: Education: ■M.S., Graduate Institute of Aircraft Systems Engineering, China University of Science and Technology Experience: ■Taiyen Tung-Hsiao Electrodialysis Refined Salt Factory - Director of Supply Workshop ■TaiyenTung-Hsiao Electrodialysis Refined Salt Factory Enterprise Trade Union - Executive Director, President ■Taiyen Company Federation of Trade Unions - Executive Director Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Not a natural-person shareholder who holds shares, together with those held by the person's spouse and relative within the second degree of kinship, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or who is ranked in the top 10 in terms of shareholding. ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.	N/A
Chen, Kuan-Ping	Possess business management expertise and experiences: Education: ■Bachelor's in Economics, National Taiwan University Experience: ■Executive Assistant at Sunshine Protech Inc. ■Independent director, member of the audit committee, and member of the remuneration committee of Universal Microwave Technology Inc. Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■Not a natural-person shareholder who holds shares, together with those held by the person's spouse and relative within the second degree of kinship, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or who is ranked in the top 10 in terms of shareholding. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 6-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.	1 company

CHAO, KUO-HSIANG	Possess business management expertise and experiences: Education: Architecture Dept. of Tunghai University Experience: ■General Manager (Responsible Person) of Tung Wei Construction Co. Ltd. ■General Manager of Tung Wei Construction Co. Ltd., Collaborative Designer of CHHS Architecture & Interior Design Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■Not a natural-person shareholder who holds shares, together with those held by the person’s spouse and relative within the second degree of kinship, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or who is ranked in the top 10 in terms of shareholding. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 6-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.	N/A
WU, SHIH-HAO	Expertise and experience in business and business management: Education: ■Doctor of Business Administration, National Taipei University Experience: ■Professor, Department of Marketing and Distribution Management, National Kaohsiung University of Science and Technology ■Hotai Motor Co., Ltd. - Independent Director ■Director, Rising Sun Foundation ■Director, Hoyu Education Foundation ■Director, Huang Lie-Huo Education Foundation ■Vice President and Acting President, Commerce Development Research Institute ■Independent Director, Taiwan Tobacco and Liquor Corporation Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■The number of shares of the Company held by and shareholding of the Director, its spouse, or relatives within the second degree of kinship (or in others’ name) is 0. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0. Not having conditions defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during the two years prior to the appointment and during the term of office.	1 company

LI, CHIA-LING	Possess accounting, financial, and business expertise and experiences: Education: ■PhD, Department of Business Administration, Sun Yat-sen University Experience: ■Professor, Department of Accounting, National Chengchi University ■Supervisor, Corporate Synergy Development Center ■Director of Finance, Ditmanson Medical Foundation Chia-Yi Christian Hospital ■Director, PAU-KAN Foundation ■Independent Director, Alcorlink Corp. ■Director, Small and Medium Enterprise Credit Guarantee Fund of Taiwan Not having any of defined in Article 30 of the Company Act.	■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. ■The number of shares of the Company held by and shareholding of the Director, its spouse, or relatives within the second degree of kinship (or in others' name) is 0. ■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). ■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0. Not having conditions defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during the two years prior to the appointment and during the term of office.	N/A

<table>
<tr><td>LIN, YU-PEN</td><td>Possess accounting, financial, and business expertise and experience:
Education:
■M.S., Graduate School of Accounting, National Chengchi University
Experience:
■Responsible person of Tender Accounting Services Limited
■Supervisor of Career Consulting Co. Ltd.

Not having any of defined in Article 30 of the Company Act.</td><td>■Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates.
■The number of shares of the Company held by and shareholding of the Director, its spouse, or relatives within the second degree of kinship (or in others' name) is 0.
■Not a director, supervisor, or employee of the Company or its related companies (refer to the provisions of Subparagraphs 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies).
■Does not provide business, legal, financial, or accounting services to the Company or affiliates in the past two years and the remuneration is NT$0.

Not having conditions defined in Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies during the two years prior to the appointment and during the term of office.</td><td>N/A</td></tr>
<tr><td colspan="4">The Company's independent directors, including WU, SHIH-HAO, LI, CHIA-LING and LIN, YU-PEN, met the independence requirements set forth in Article 3, Paragraph 1 of the Rules Governing the Establishment and Compliance of Independent Directors of Public Companies for the two years prior to their election and during their terms of office.</td></tr>
</table>

Note 1: Professional qualification and experience: Describe the professional qualifications and experience of individual directors; the accounting or financial backgrounds and work experience of members of the audit committee and those who possess accounting or financial expertise shall be specified, and whether there are circumstances stated in Article 30 of the Company Act shall be otherwise described.

Note 2: For independent directors, describe the status of compliance with independence, including but not limited to whether the director, its spouse, or relatives within the second degree of kinship holds position as the director, supervisor, or employee of the Company or its affiliate, the number of shares of or the shareholding ratio in the Company held by the director, its spouse, or relatives within the second degree of kinship (or in others' names), whether the director is a director, supervisor, or employee of a company with special relationship with the Company (please refer to subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies), and the amount of compensation obtained from providing business, legal, financial, or accounting services to the Company or its affiliates within the past two years.

Note 3: Please refer to the sample of best practice principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(2) Board Diversity and Independence:

A. Board Diversity:

The Board of Directors has passed the Chapter 3 (Enhancing the Functions of the Board of Directors) of the "Corporate Governance Best Practice Principles," including the diversification policy. The nomination and selection of the Board members are handled according to the Articles of Incorporation, "Regulations for the Election of Directors," and "Corporate Governance Best Practice Principles" to

ensure the diversity and independence of the Board members.
The thirteenth Board of Directors of the Company consists of 9 directors (including 3 independent directors). There are 2 female directors. One labor director with employee status is recommended by the labor union. The members of the Board of Directors have extensive experience and expertise in the fields of finance and accounting, law and management.
The percentage of the Company's directors who are employees is 11%, while the percentage of independent directors is 33% and the percentage of female directors is 22%. None of the nine directors is related to a spouse or consanguineous within two degrees of consanguinity, three of the independent directors have been in office for less than three years, four directors are between the ages of 61 and 70, three directors are between the ages of 51 and 60, and one director is between the ages of 41 and 50.
The Company's target ratio of female directors is 25% or more. Based on the principles of gender equality, diverse age groups and professional backgrounds in the composition of the Board of Directors, in the future, the Board of Directors will continue to consider the diversity of the Board of Directors in order to achieve the goal.

B. Board Independence:
The Company's Board of Directors has a total of nine (9) directors. Three of them are independent directors (33%). All directors (including independent directors) are in compliance with Article 26-3, paragraph 3 and paragraph 4 of the Securities and Exchange Act. None of the directors are related to each other by spouse or consanguineous within two degrees of kinship, and are independent.

C. Achievement of the Board’s diversity policy:
※WU, JUNG-HUI, Corporate Representative of the Ministry of Economic Affairs, has been relieved of his duties as Director and Chairman of the Board of Directors since 2023.02.06 due to another appointment.

Name/Title	Gender	Concurrent Employee	Age	Term of Independent Director	Business Administration	Finance Accounting	Legal Professional	Leadership	Industry knowledge	Crisis Treatment
Liu, Ya-Chuan Acting Chairman of the Board	Female		51~60		V		V	V	V	V
WU, SHIH-HAO Independent Director	Male		61~70	Less than 3 years	V			V	V	V
LI, CHIA-LING Independent Director	Female		51~60	Less than 3 years	V	V		V	V	V
LIN, YU-PEN Independent Director	Male		61~70	Less than 3 years	V	V		V	V	V
Liao, Hsien-Kuei Directors	Male		51~60		V			V	V	V
CHU, WEI-YI Directors	Male	V	41~50		V			V	V	V
Chen, Kuan-Ping Directors	Male		61~70		V	V		V	V	V
CHAO, KUO-HSIA	Male		61~70		V	V		V	V	V

NG Director										

(II) President, Vice Presidents, Assistant Vice Presidents, and Heads of All Departments and Branches

2024.04.23

Title (Note 1)	Nationality (Country of Citizenship)	Name	Gender	Date of Appointment	Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 2)	Positions Concurrently Held at Other Companies	Managerial Officer who Is Spouse or within the Second Degree of Kinship			Remark (Note 3)
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
General Manager	Republic of China	Chen, Shi-Hui	Male	2021. 05. 26	3,607	0	0	0	0	0	Master's in Soil Science, National Chung Hsing University	■ Chairman of Taiyen (Xiamen) Import And Export Co., Ltd. ■ Director of Taiyen Green Energy Co., Ltd.	—	—	—	
Deputy General Manager	Republic of China	Li, Chieh-Han	Male	2021. 05. 26	1,784	0	0	0	0	0	Master of Business Administration, National Central University	■ Director of Taiyen Biotech (Hong Kong) Co., Ltd. ■ Director of Taiyen Green Energy Co., Ltd.	—	—	—	
Director of Auditing Office	Republic of China	CHUANG, MEI-YU	Female	2022.11.16	0	0	0	0	0	0	■ M.S. in Graduate School of Law, National Cheng Kung University ■ M.S. in Accounting Information and Legal Digital Learning, National Chung Cheng University - On-the-job program	N/A	—	—	—	
Director of President's Office	R.O.C.	Chuang, Chieh-Nan	Male	2023.02.01	0	0	0	0	0	0	Master's in Labor and Human Resources, Chinese Culture University	N/A	—	—	—	
Director of Legal Affairs Office	Republic of China	Yang, Tung-Hsuan	Male	2008.07.01	257	0	0	0	0	0	Master's in Science and Technology Law, National Yunlin University of Science and Technology	■ Supervisor of Taiyen Green Energy Co., Ltd.	—	—	—	
Director of General Affairs Department	Republic of China	HUO, AN-PING	Male	2022.11.01	0	0	1,501	0	0	0	M.S. in Management Science, Kaohsiung Polytechnic Institute	N/A	—	—	—	

Title (Note 1)	Nationality (Country of Citizenship)	Name	Gender	Date of Appointment	Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 2)	Positions Concurrently Held at Other Companies	Managerial Officer who Is Spouse or within the Second Degree of Kinship			Remark (Note 3)
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
Director of Corporate Development Department	Republic of China	Chang, Yuan-Su	Male	2024.01.01	314	0	0	0	0	0	Master's in Chemistry, National Cheng Kung University	■ Director of Taiyen Green Energy Co., Ltd.	—	—	—	
Director of Occupational Safety and Health Office	Republic of China	Li, Chuan-Chou	Male	2024.01.01	782	0	0	0	0	0	M.S. in School of Mining, Metallurgy and Materials Science, National Cheng Kung University	N/A	—	—	—	
Director of Salt and Water Business Division	R.O.C.	Huang, Keng-Hsien	Male	2017.03.01	0	0	1,000	0	0	0	Master of Business Administration, Kun Shan University	■ Director and President of Taiyen (Xiamen) Import and Export Co., Ltd.	—	—	—	
Director of Biotech Business Division	Republic of China	Tsai, Liang-Yi	Male	2022.04.01	0	0	0	0	0	0	Master of Business Administration (MBA), National Tainan University	■ Supervisor of Taiyen (Xiamen) Import and Export Co., Ltd.	—	—	—	
Director of Branding and Marketing Department	Republic of China	Chen, Mei-Wen	Female	2022.04.01	0	0	0	0	0	0	EMBA, Chang Jung Christian University	N/A	—	—	—	
Director of Financial Accounting Department	Republic of China	Su Wei	Female	2019.12.31	2,000	0	0	0	0	0	Master's in International Business Administration, National Yunlin University of Science and Technology	■ Director of Taiyen Biotech (Hong Kong) Co., Ltd. ■ Supervisor of Taiyen Green Energy Co., Ltd.	—	—	—	
Director of R & D Department	Republic of China	Hung, Ya-Ping	Female	2022.06.30	2,518	0	28,411	0.01%	0	0	Master's in Plant Pathology, National Chung Hsing University	N/A	—	—	—	
Manager at Taipei Sales Office	Republic of China	Kuan, Ssu-Ying	Female	2019.08.01	286	0	0	0	0	0	Master's in Management, Yuang Ze University	N/A	—	—	—	
Manager at Taichung Sales	Republic of	LIN, YING-YUA	Male	2022.11.16	3,829	0	0	0	0	0	M.S. in Industrial and Information Management,	N/A	—	—	—	

Title (Note 1)	Nationality (Country of Citizenship)	Name	Gender	Date of Appointment	Shareholding		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Education and Work Experience (Note 2)	Positions Concurrently Held at Other Companies	Managerial Officer who Is Spouse or within the Second Degree of Kinship			Remark (Note 3)
					Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)			Job Title	Name	Relationship	
Office	China	N									National Cheng Kung University - On-the-Job Program					
Manager at Kaohsiung Sales Office	Republic of China	Wang, Ching-Sen	Male	2023.10.01	0	0	0	0	0	0	M.S. in Finance and Economics, National Chiao Tung University	N/A	—	—	—	
Director of Biotech Health Products Factory	R.O.C.	Li, Ming-Ta	Male	2022.06.30	0	0	0	0	0	0	Master's in Plant Pathology, National Chung Hsing University	N/A	—	—	—	
Director of Biotech Cosmetics Factory	Republic of China	WU, CHUN-TE	Male	2024.01.01	1,000	0	0	0	0	0	Graduated from Department of Mechanical Engineering, National Kaohsiung Institute of Technolog	N/A	—	—	—	
Director of Tung-Hsiao Electrodialysis Refined Salty Factory	Republic of China	Liu, Hung-Chuan	Male	2019.04.26	35	0	0	0	0	0	Master's in Mechanical Engineering, National Taiwan University	N/A	—	—	—	
Director of Cigu Salt Plant	Republic of China	Li, Chun-Hung	Male	2021.01.01	0	0	0	0	0	0	Master's in Political Science, National Chung-Cheng University	N/A	—	—	—	
Acting Director, Imported Salt Storage and Transportation Institute	Republic of China	CHEN, FANG-NAN	Male	2023.10.01	0	0	0	0	0	0	Graduated from Department of Mechanical Engineering, Kun Shan University	N/A	—	—	—	

Note 1: Disclose information on the president, vice presidents, assistant vice presidents, and heads of all departments and branches, as well as positions equivalent to the president, vice presidents, and assistant vice presidents.

Note 2: Fill in the work experience in relation to the current position. In case of service at the CPAs' accounting firm or its affiliate, indicate the title and responsibility of the position.

Note 3: Where the Chairman and the President or an equivalent position (the highest level manager) are the same person, spouses, or relatives within the first degree of kinship, disclose the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., appointment of independent directors and a majority of directors not serving concurrently as employees or managerial officers).

(III) Remuneration Paid during the Most Recent Fiscal Year to Directors, Supervisors, the President, and Vice Presidents

1. Remuneration to directors (collective disclosure by range of remuneration)

Unit: NT$

Title	Name	Director Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Remuneration Received as Employee								A, B, C, D, E, F, and G, and their percentages in net income after income tax (Note 10)		Remuneration Received from Invested Companies Other than Subsidiaries or the Parent (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Director Compensation (C) (Note 3)		Professional Practice Fee (D) (Note 4)				Salary, Bonus, and Allowance (E) (Note 5)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 6)						
		The Company	All Companies in Financial Statements (Note 7)	The Company	All Companies in Financial Statements (Note 7)	The Company	All Companies in Financial Statements (Note 7)	The Company	All Companies in Financial Statements (Note 7)	The Company	All Companies in Financial Statements	The Company	All Companies in Financial Statements (Note 7)	The Company	All Companies in Financial Statements (Note 7)	The Company		All Companies in Financial Statements (Note 7)		The Company	All Companies in Financial Statements	
																Cash	Stock	Cash	Stock			
Chairman	Wu, Jung-Hui	683,087	683,087	1,229,600	1,229,600	5608792	5,608,792	731,786	731,786	2.75%	2.75%	1,504,119	1,504,119	0	0	40139	0	40139	0	9,797,523 3.26%	9,797,523 3.26%	N/A
Director (Acting Chairman)	Liu, Ya-Chuan																					
Directors	Liao, Hsien-Kuei																					
Directors	Chen, Kuan-Ping																					
Directors	Chao, KUO-HSIA																					
Director (Labor Representative)	Wang, Ching-Tien																					
Director (Labor Representative)	CHU, WEI-YI																					
Independent Director	WU, SHIH-HAO	1,620,000	1,620,000	0	0	0	0	0	0	0.54%	0.54%	0	0	0	0	0	0	0	0	1,620,000 0.54%	1,620,000 0.54%	N/A
Independent Director	LI, CHIA-LING																					
Independent Director	HO, HUA-HSUN																					
Independent Director	LIN, YU-PEN																					

1. Please describe the policy, system, standard, and structure of remuneration paid to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: The policy, system, standard, and structure of remuneration paid to independent directors have been resolved in the 2nd meeting of the 9th-term Board of Director based on the duties, risk, and time input of independent directors. In accordance with Article 35 of the Articles of Incorporation, no director compensation shall be paid to independent directors.
2. In addition to the above table, the honorariums received by the directors of the Company for services rendered (e.g., serving as consultants to the parent company or all companies listed in the financial statements, or non-employees of investee companies, etc.) in the most recent fiscal year: N/A.

Note: The Company has 9 directors. For information on the dismissal and appointment of representatives of juridical persons, refer to (I) Board of Directors, III. Implementation of Corporate Governance.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total Remuneration (A+B+C+D)		Total Remuneration (A+B+C+D+E+F+G)	
	The Company (Note 8)	All Companies in Financial Statements (Note 9) H	The Company (Note 8)	All Companies in Financial Statements (Note 9) I
Less than NT$1,000,000	WU, SHIH-HAO / LI, CHIA-LING / HO, HUA-HSUN / LIN, YU-PEN / WANG, CHING-TIEN	WU, SHIH-HAO / LI, CHIA-LING / HO, HUA-HSUN / LIN, YU-PEN / WANG, CHING-TIEN	WU, SHIH-HAO / LI, CHIA-LING / HO, HUA-HSUN / LIN, YU-PEN / WANG, CHING-TIEN	WU, SHIH-HAO / LI, CHIA-LING / HO, HUA-HSUN / LIN, YU-PEN / WANG, CHING-TIEN
NT$1,000,000 (inclusive) ~ NT$2,000,000	WU, JUNG-HUI / LIU, YA-CHUAN / LIAO, HSIEN-KUEI / CHEN, KUAN-PING / CHAO, KUO-HSIANG / CHU, WEI-YI	WU, JUNG-HUI / LIU, YA-CHUAN / LIAO, HSIEN-KUEI / CHEN, KUAN-PING / CHAO, KUO-HSIANG / CHU, WEI-YI	WU, JUNG-HUI / LIAO, HSIEN-KUEI / LIU, YA-CHUAN / CHEN, KUAN-PING / CHAO, KUO-HSIANG / CHU, WEI-YI	WU, JUNG-HUI / LIAO, HSIEN-KUEI / LIU, YA-CHUAN / CHEN, KUAN-PING / CHAO, KUO-HSIANG / CHU, WEI-YI
NT$2,000,000 (inclusive) ~ NT$3,500,000	—	—	–	–
NT$3,500,000 (inclusive) ~ NT$5,000,000	—	—	—	—
NT$5,000,000 (inclusive) ~ NT$10,000,000	–	–	–	–
NT$10,000,000 (inclusive) ~ NT$15,000,000	—	—	—	—
NT$15,000,000 (inclusive) ~ NT$30,000,000	—	—	—	—
NT$30,000,000 (inclusive) ~ NT$50,000,000	—	—	—	—
NT$50,000,000 (inclusive) ~ NT$100,000,000	—	—	—	—
100000000 and above	—	—	—	—
Total	11 people	11 people	11 people	11 people

Note 1: List directors individually (for institutional shareholders, indicate the name of the institutional shareholder and its representative respectively), distinguish between general directors and independent directors, and disclose the amount of remuneration collectively. If directors concurrently serve as the President and Vice Presidents, fill in this table and Table 3 below.

Note 2: Compensation paid to the director for the most recent year (including the salary, duty allowances, severance pay, bonuses, and incentives).

Note 3: Director remuneration distributed for the most recent year upon approval of the Board of Directors.

Note 4: Professional practice fees paid to the director for the most recent year (including transportation expenses, special allowances, other allowances, accommodation, and company cars). If accommodation, company cars and other types of transportation, or personal expenses are provided, disclose the nature and cost of assets, rents paid at actual or fair market prices, fuel fees, and other expenses. Indicate any compensation paid to the driver in the note, but it is not included in the remuneration.

Note 5: The Salary, duty allowances, separation pay, bonuses, incentives, transportation expenses, special allowances, other allowances, accommodation, and company cars received by the director who concurrently serves as an employee (including the President, Vice President, managerial officer, etc.) for the most recent year. If accommodation, company cars and other types of transportation, or personal expenses are provided, disclose the nature and cost of assets, rents paid at actual or fair market prices, fuel fees, and other expenses. Indicate any compensation paid to the driver in the note, but it is not included in the remuneration. Any salary recognized under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and share subscription for cash, should also be included in the remuneration.

Note 6: For employee compensation (in the form of either stock or cash) paid to the director who concurrently serves as an employee (including the President, Vice President, managerial officer, etc.) for the most recent year, disclose the amount of employee compensation distributed upon approval of the Board of Directors for the most recent year. If the amount of employee compensation is inestimable, indicate the proposed amount to be distributed this year based on the actual amount distributed last year, and fill in Appendix 1-3.

Note 7: Disclose the total remuneration paid to directors by all companies (including the Company) in the consolidated financial statements.

Note 8: Disclose the name of each director in the range of remuneration corresponding to the amount of total remuneration paid to each director by the Company.

Note 9: Disclose the name of each director in the range of remuneration corresponding to the amount of total remuneration paid to each director by all companies (including the Company) in the consolidated financial statements.

Note 10: Net income for the most current year refers to that specified in the parent company only or standalone financial statements for the most recent year.

Note 11: a. Disclose the amount of remuneration received by the directors from invested companies other than subsidiaries or the parent (indicate "None" if nil).

b. Where the directors receive remuneration from invested companies other than subsidiaries or from the parent, include such remuneration in the range of remuneration ("I") and rename the field "Parent and All Invested Companies."

c. Remuneration refers to compensation, remuneration (including compensation paid to employees and directors and supervisors), and professional practice fees received from invested companies other than subsidiaries or from the parent for service as directors supervisors, or managerial officers.

P.S. The remuneration disclosed in this table is calculated based on a concept which is different from the concept of income stipulated in the Income Tax Act. Therefore, this table is only meant for information disclosure, not for taxation.

2. Compensation of General Manager and Vice President (including Disclosure of Hierarchies and Names)

Unit: NT$

Title	Name	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonus and Special Allowance (C) (Note 3)		Employee Compensation (D) (Note 4)				Total amount of A, B, C, and D and their percentage of net income after tax (%) (Note 8)		Remuneration Received from Invested Companies Other than Subsidiaries or the Parent (Note 9)
		The Company	All Companies in Financial Statements (Note 5)	The Company	All Companies in Financial Statements (Note 5)	The Company	All Companies in Financial Statements (Note 5)	The Company		All Companies in Financial Statements (Note 5)		The Company	All Companies in Financial Statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Chen, Shi-Hui	4,235,000	4,235,000	0	0	3,539,860	3,539,860	289,554	0	289,554	0	8,064,414 2.68%	8,064,414 2.68%	N/A
Vice President	Li, Chieh-Han													

P.S. Regardless of the title, any position equivalent to the President or Vice President (e.g., general manager, chief executive officer, and director) should be disclosed.

Range of Remuneration

Range of Remuneration Paid to President and Vice Presidents	Name of President and Vice President	
	The Company (Note 6)	All Companies in Financial Statements (Note 7) E
Less than NT$1,000,000	—	—
NT$1,000,000 (inclusive) ~ NT$2,000,000	—	—
NT$2,000,000 (inclusive) ~ NT$3,500,000	Li, Chieh-Han	Li, Chieh-Han
NT$3,500,000 (inclusive) ~ NT$5,000,000	Chen, Shi-Hui	Chen, Shi-Hui
NT$5,000,000 (inclusive) ~ NT$10,000,000	—	—
NT$10,000,000 (inclusive) ~ NT$15,000,000	—	—
NT$15,000,000 (inclusive) ~ NT$30,000,000	—	—
NT$30,000,000 (inclusive) ~ NT$50,000,000	—	—
NT$50,000,000 (inclusive) ~ NT$100,000,000	—	—
100000000 and above	—	—
Total	2 people	2 people

Note 1: The names of the general manager and deputy general manager should be listed separately, and the amount of each benefit should be disclosed in a summarized form. If directors concurrently serve as the President and Vice Presidents, fill in this table and the table above.

Note 2: The salary, job allowances, and severance pay paid to the President and Vice Presidents for the most recent year.

Note 3: Remuneration, including the bonuses, incentives, transportation expenses, special allowances, other allowances, accommodation, and company cars, paid to the President and Vice Presidents for the most recent year. If accommodation, company cars and other types of transportation, or personal expenses are provided, disclose the nature and cost of assets, rents paid at actual or fair market prices, fuel fees, and other expenses. Indicate any compensation paid to the driver in the note, but it is not included in the remuneration. Any salary recognized under IFRS 2 Share-Based Payment, including employee share subscription warrants, new restricted employee shares, and share subscription for cash, should also be included in the remuneration.

Note 4: Disclose the amount of employee compensation (in the form of either stock or cash) distributed to the President or Vice President upon approval of the Board of Directors for the most recent year. If the amount of employee compensation is inestimable, indicate the proposed amount to be distributed this year based on the actual amount distributed last year, and fill in Appendix 1-3.

Note 5: Disclose the total remuneration paid to the President and Vice Presidents by all companies (including the Company) in the consolidated financial statements.

Note 6: Disclose the name of the President and each Vice President in the range of remuneration corresponding to the amount of total remuneration paid to the President and each Vice President by the Company.

Note 7: Disclose the name of the President and each Vice President in the range of remuneration corresponding to the amount of total remuneration paid to the President and each Vice President by

3. Name of manager who distributed employees' compensation and status of distribution

2024.02.29 Unit: NT$

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Ratio of Total Compensation to Net Income (%)
Managerial Officer	General Manager	Chen, Shi-Hui	0	806656	806656	0.27%
	Deputy General Manager	Li, Chieh-Han				
	Director of Financial Accounting Department	Su Wei				
	Manager at Taipei Sales Office	Kuan, Ssu-Ying				
	Manager at Taichung Sales Office	LIN, YING-YUAN				
	Manager at Kaohsiung Sales Office	Wang, Ching-Sen				
	Director of Tung-Hsiao Electrodialysis Refined Salty Factory	Liu, Hung-Chuan				
	Director of Biotech Health Products Factory	Li, Ming-Ta				
	Director of Biotech Cosmetics Factory	WU, CHUN-TE				
	Director of Cigu Salt Plant	Li, Chun-Hung				
	Acting Director, Imported Salt Storage and Transportation Institute	CHEN, FANG-NAN				

Note 1: Disclose the name and title of the managerial officer separately; the amount of compensation distributed may be disclosed collectively.

Note 2: Disclose the amount of employee compensation (in the form of either stock or cash) distributed to the managerial officers upon approval of the Board of Directors for the most recent year. If the amount of employee compensation is inestimable, indicate the proposed amount to be distributed this year based on the actual amount distributed last year. Net income refers to that for the most current year; if the IFRS is adopted, net income shall refer to that specified in the parent company only or standalone financial statements for the most recent year.

Note 3: According to the Financial Supervisory Commission Order Tai-Cai-Zheng-Shan-Zi No. 0920001301 issued on March 27, 2003, the scope of managerial officers is defined as follows:

(1) President and equivalents;
(2) Vice president and equivalents;
(3) Assistant vice president and equivalents;
(4) Head of finance department;
(5) Head of accounting department; or
(6) Other people who have the right to manage affairs and sign on behalf of the Company.

Note 4: If the directors, general manager and deputy general manager have received employee compensation (including stock and cash), this table should be filled out in addition to the "Compensation Table for Directors, Supervisors, General Manager and Deputy General Manager".

4. Top 10 individuals receiving employee compensation

Name	Title	Cash	Remarks
Chen, Shi-Hui	General Manager	854,659	The Company has not issued any stock certificates for its employees' remuneration for the year 2023.
Li, Chieh-Han	Deputy General Manager		
Yang, Tung-Hsuan	Director		
Liu, Hung-Chuan	Factory Manager		
Huang, Keng-Hsien	Director		
Chuang, Ching-Shun	Vice Director		
Hung, Ya-Ping	Director		
HUO, AN-PING	Director		
Tsai, Liang-Yi	Director		
WU, CHUN-TE	Director		

5. Top 10 individuals receiving employee compensation (in the previous year)

Unit: NT$

Name	Title	Cash	Remark
Chen, Shi-Hui	General Manager	1,258,608	The Company has not issued any stock certificates for its employees' remuneration for the year 2022.
Li, Chieh-Han	Deputy General Manager		
Yang, Tung-Hsuan	Director		
Huang, Keng-Hsien	Director		
Tsai, Liang-Yi	Director		
Hung, Ya-Ping	Director		
WANG, TSANG-TIEN	Vice Director		
Li, Ming-Ta	Factory Manager		
Liu, Hung-Chuan	Factory Manager		
Chuang, Ching-Shun	Vice Director		

(IV) Compare and explain the total amount of compensation paid to the Company's directors, independent directors, general manager and vice president as a percentage of after-tax net income for the last two years for the Company and all companies included in the consolidated financial statements. Also, describe the policy, criteria and mix of compensation, the procedures for setting compensation, and its relationship to operating performance and future risks.

Title	The Company		All Companies in Consolidated Financial	
	Year: 2022	Year: 2023	Year: 2022	Year: 2023
Director Remuneration	17,654,200	9,797,523	17,666,666	9,797,523
Ratio of Total Compensation to Net Income (%)	4.14%	3.26%	4.14%	3.26%

Independent Directors' Compensation	1,624,500	1,620,000	1,624,500	1,620,000
Ratio of Total Compensation to Net Income (%)	0.38%	0.54%	0.38%	0.54%
President and Vice President Remuneration	7,661,817	8,064,414	7,686,749	8,064,414
Ratio of Total Compensation to Net Income (%)	1.80%	2.68%	1.80%	2.68%

Explanation: 1. Directors' Remuneration: Regarding the Company's directors' remuneration, according to Article 30 of the Company's Articles of Incorporation, the directors' travel expenses and independent directors' remuneration are authorized to be determined by the Board of Directors' meeting.

In addition, if the Company makes a profit during the year, pursuant to Article 35 of the Company's Articles of Incorporation, the Company may set aside up to 1.5% of the Company's profits as directors' remuneration, which shall be distributed equally to the directors (excluding independent directors) in office at the end of the year. The remuneration of the Company's directors is directly related to the operating performances (profits) of the Company for the year; the remuneration of the director is relatively higher when the operating performances of the Company is favorable; the remunerations are reported to the Remuneration Committee for discussion to effectively avoid future risks. The aforesaid profit refers to "the profit before tax net of compensation to employees and directors."

2. Remuneration paid to the President and Vice Presidents: According to the Guidelines for the Distribution of Performance Bonuses passed by the Board of Directors, remuneration paid to the President and Vice Presidents is directly related to the Company's operating performance (EPS) for the year. If the Company has a good operating performance, relatively higher performance bonuses will be distributed to managerial officers. Remuneration paid to the President and Vice Presidents shall be submitted to the Remuneration Committee for review to avoid future risks effectively.

III. Implementation of Corporate Governance

(I) Board of Directors

Recently, the Board of Directors held eight (8) meetings in 2023 (A), and the attendance of the Board of Directors' Supervisors was as follows:

Title	Name (Note 1)	Times of Attendance in Person (B)	Times of Attendance by Proxy	Attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	Representative of Ministry of Economic Affairs Wu, Jung-Hui	1	0	100%	Wu, Jung-Hui was re-appointed as the new director on April 23, 2021. The Board elected Wu, Jung-Hui as the Chairman on April 30, 2021. 06/23/2022 Re-elected to the 13th Board of Directors to be the Chairman. 02/06/2023 Relieved of duties as a director and chairman of the board of directors due to another appointment.
Acting Chairman	Representative of Ministry of Economic Affairs Liu, Ya-Chuan	8	0	100%	06/23/2022 Re-elected to the 13th Board of Directors. 02/06/2023 Elected as Acting Chairman by the Board Directors
Director	Representative of Ministry of Economic Affairs Liao, Hsien-Kuei	8	0	100%	06/23/2022 Re-elected to the 13th Board of Directors.
Director	Representative of Ministry of Economic Affairs Wang, Ching-Tien	4	0	100%	06/23/2022 Re-elected to the 13th Board of Directors. 07/05/2023 Removed from office and CHU, WEI-YI was reappointed to take office.
Director	Representative of Ministry of Economic Affairs CHU, WEI-YI	4	0	100%	07/05/2023 WANG, CHING-TIEN was removed from office and CHU, WEI-YI was assigned to take office.
Director	Representative of Sunshine Protech Inc. Chen, Kuan-Ping	8	0	100%	06/23/2022 Re-elected to the 13th Board of Directors.
Director	Representative of Tung Wei Construction Co. Ltd. CHAO, KUO-HSIANG	6	2	75%	06/23/2022 Newly appointed as Director of the 13th Board of Directors.
Independent Director	HO, HUA-HSUN	4	0	100%	06/23/2022 Newly Appointed as Independent Director of the 13th Board of Directors 06/19/2023 Resigned
Independent Director	WU, SHIH-HAO	8	0	100%	2022.06.23 Newly Appointed as Independent Director of the 13th Board of Directors
Independent Director	LI, CHIA-LING	8	0	100%	06/23/2022 Newly Appointed as Independent Director of the 13th Board of Directors
Independent Director	LIN, YU-PEN	4	0	100%	06/19/2023 Newly appointed as Independent Director of the 13th Board of Directors.

Other matters to be recorded: I. If any of the following circumstances occurs, the dates, terms of the Board meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions should be specified: (I) Matters listed in Article 14-3 of the Securities Exchange Act: N/A. (II) Other than the matters set out above, any other matters resolved by the Board of Directors with the objection or reservation of the independent directors and for which a Record or written statement is kept: N/A. II. In the case of disqualification of a director from the implementation of an interest motion, the name of the director, the content of the motion, the reasons for the disqualification and the participation in the vote should be stated: N/A. III. Listed and over-the-counter companies should disclose the evaluation cycle and period, scope of evaluation, evaluation method, and content of evaluation of the board of directors' self-assessment (or peer assessment), and fill out the "Board of Directors' Evaluation Implementation Status Form". The Company passed the "Self-Evaluation or Peer Evaluation of the Board of Directors" in the 4th meeting of the 12th-term Board of Directors on November 1, 2019 and started to carry out the annual evaluation of the Board of Directors in 2020. The results of the performance evaluation of the Board of Directors, individual board members and functional committees of the Company for the year 2023 were reported on February 23, 2024, which was completed. IV. Measures taken to strengthen the functionality of the Board (e.g., establishment of Audit Committee and transparency of information disclosure) and results thereof: 1. Remuneration Committee In 2023, four meetings of the Compensation Committee were held on February 13, 2023, April 18, 2023, October 30, 2023 and December 29, 2023 . In addition, for 2024, to date, one Salary and Compensation Committee has been convened on February 29, 2024. The Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers below: (1) prescribe and periodically review the performance evaluation and the policy, system, standards, and structure of remuneration (including travel allowances) for directors, supervisors, and managerial officers; and (2) periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers (including travel allowances). 2. Audit Committee: For the year 2023, six Audit Committees have been convened on 3 February 2023, 10 March 2023, 28 April 2023, 31 July 2023, 22 September 2023 and 9 November 2023. Further, for the year 2024, three Audit Committees have been convened so far on 1 February 2024, 11 March 2024 and 29 April 2024. The Audit Committee shall exercise the care of a good administrator in helping the Board of Directors supervise the Company's compliance with the Company Act, the Securities and Exchange Act, and other relevant laws and regulations and faithfully performing the official powers prescribed in relevant laws and regulations. 3. Evaluation of the Executive Board of Directors and functional committees: Starting from 2020, the Company will conduct Board performance evaluation annually. The results of the performance evaluation of the Board of Directors, individual Board members and functional committees of the Company for the year 2023, together with the recommendations for improvement, were presented at the 13th Board Meeting for the the 13th term on 1 February 2024, and the reporting was completed on 23 February 2024 .

Note 1: If a director or supervisor is a judicial person, fill in the name of the institutional shareholder and its representative.

Note 2:

(1) If a director or supervisor leaves office before the end of the year, the date of leaving should be indicated in "Remark." The attendance rate (%) is based on the number of meetings of the Board of Directors divided by times of attendance in person during service.

(2) If there is a re-election of directors and supervisors before the end of the year, both the newly elected and former directors and supervisors should be listed, and whether the directors and supervisors are newly elected, former, or re-elected, as well as the date of re-election, should be indicated in "Remark." The attendance rate (%) is based on the number of meetings of the Board of Directors divided by times of attendance in person during service.

(II) Board Evaluation

Evaluation Cycle (Note 1)	Evaluation Period (Note 2)	Scope of Evaluation (Note 3)	Evaluation Method (Note 4)	Content of Evaluation (Note 5)
Once every year	2023.01.01～2023.12.31	Board of Directors	Self-evaluation of the Board	**Self-evaluation of the Board's performances** A. Participation in the operation of the Company

				B. Improvement of the quality of the Board of Directors' decision making C. Composition and structure of the board of directors D. Election and continuing education of the directors E. Internal control
		Individual Board members	Self-evaluation of the Board members	**Self-evaluation of the Board members' performances** A. Mastery of the company's objectives and tasks B. Directors' knowledge of their duties and responsibilities C.Participation in the operation of the Company D. Internal relationship management and communication E. Directors' professionalism and continuing education F.Internal control
		Functional committees 1. Audit Committee 2. Remuneration Committee	Self-evaluation of the Board	**Self-evaluation of the Audit Committee's performances** A. Participation in the operation of the Company B. Awareness of the responsibilities of functional committees C. Improving the quality of functional committee decisions D. Composition of functional committees and selection of members E. Internal control **Self-evaluation of the Remuneration Committee's performances** A. Participation in the operation of the Company B. Awareness of the responsibilities of functional committees C. Improving the quality of functional committee decisions D. Composition of functional committees and selection of members

Note 1: This refers to the periodicity of the Board of Directors' evaluation, e.g. once a year.

Note 2: The period to be covered by the Board evaluation, e.g. evaluation of the Board's performance from January 1, 2019 to December 31, 2019.

Note 3: The scope of the evaluation includes the evaluation of the performance of the Board of Directors, individual Board members and functional committees.

Note 4: The methods of evaluation include internal self-evaluation by the Board, self-evaluation by Board members, peer evaluation, appointment of external professional bodies, experts or other appropriate means to conduct performance evaluation.

Note 5: The evaluation shall include at least the following items according to the scope of the evaluation:

(1) Evaluation of the performance of the Board of Directors: including at least the degree of participation in the Company's operations, the quality of decisions made by the Board of Directors, the composition and structure of the Board of Directors, the selection and continuing education of directors, and internal control.

(2) Evaluation of the performance of individual board members: at least the degree of mastery of the company's objectives and tasks, awareness of directors' duties, participation in the company's operations, internal relationship management and communication, professional and continuing education of directors, internal control, etc.

(3) Performance of functional committees: participation in the operation of the Company, awareness of the duties of functional committees, improvement of the quality of functional committees' decision-making, composition of functional committees and election of members, and internal control.

(III) Audit Committee

(1) The Audit Committee of the Company was established on 21 June 2019 and the members of the Committee are appointed by the Independent Directors of the Board. The Audit Committee of the Company consists of three members. This time, the second term of the members is from 23 June 2022 to 22 June 2025.

(2) In 2023, the Audit Committee held six (6) meetings (A), and the attendance of the independent directors was as follows:

Title	Name	Actual attendance frequency (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Convener	LI, CHIA-LING	6	—	100%	2nd-term
Independent Director	WU, SHIH-HAO	6	—	100%	2nd-term
Independent Director	LIN, YU-PEN	3	—	100%	2nd-term (Assumed a post on 06/19/2023)
Independent Director	HO, HUA-HSUN	3	—	100%	2nd-term (Resigned on 06/19/2023)

Other matters to be recorded:

I. If any of the following circumstances apply to the operation of the Audit Committee, the date and period of the Audit Committee meeting, the contents of the proposal, the dissenting opinions, reservations or significant recommendations of the independent directors, the results of the resolution of the Audit Committee, and the Company's handling of the Audit Committee's opinion shall be described.

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act.

Date/Session	Content of Motion	Content of the Dissenting Opinions, Qualified Opinions, or Material Recommendations of Independent Directors	Resolution	Handling of the Audit Committee's Opinions
2023.10.03 The 5th time for the 2nd term Audit Committee	1.The Company's "Statement on Internal Control System 2022" filed and published annual report. 2.The Company's business report in 2022. 3. The Company's consolidated and individual financial reports in 2022. 4.The Company's surplus distribution in 2022. 5. The Company's financial and tax certified public accountants' independence and suitability assessment results in 2022. 6. Approved a list of non-assurance services expected to be provided by Ernst & Young and its affiliates from 2023 to 2025.	N/A	Passed by all members present as proposed	Cases 1 to 5, to be submitted to the Board of Directors for approval. Case 6 proceeded as presented

2023.04.28 The 6th time for the 2nd term Audit Committee	1. The Company's consolidated financial statements for the first quarter of 2023.	N/A	Passed by all members present as proposed	Submitted to the Board of Directors for approval
2023.07.31 The 7th time for the 2nd term Audit Committee	1. The Company's consolidated financial statements for the Second quarter and first half of the year of 2023.	N/A	Passed by all members present as proposed	Submitted to the Board of Directors for approval
2023.11.09 The 9th time for the 2nd term Audit Committee	1. The Company's audit plan for 2024. 2. The Company's cumulative consolidated financial statements for the third quarter and the first three quarters for 2023.	N/A	Passed by all members present as proposed	Submitted to the Board of Directors for approval

(II) In addition to the aforementioned items, other resolutions passed by two-thirds of all the directors but yet to be approved by the Audit Committee:
None.

II. Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusal, and results of voting should be specified: None.

III. Communication between independent directors, the internal audit officer, and CPAs (including material issues, methods, and results of communication regarding the Company's finances and operations):

(I) Communication between the Audit Committee (independent directors) and the internal audit officer:

1. The Board of Directors resolved to hold the "Seminar on Internal Control System for Directors and Internal Auditors" once every year and report the minutes to the Board of Director.
2. According to the Audit Committee Charter, the Audit Committee shall convene at least once every quarter, and the chief auditor shall in the meeting report the implementation of audit, including the audit work specified in the annual audit plan, self-inspection results, key opinions on internal/external audits, and improvements made.
3. The communication situation in 2023 as follows:

Date	Focus	Result
2023.02.03 The 4th Audit Committee in the 2nd term	Reported on the results of business audits, audit deficiencies and recommendations, and follow-up actions for the period from November to December 2022 regarding the "Production Cycle" of the Tung-Hsiao Electrodialysis Refined Salt Factory and the "Management Performance" of the Head Office.	Reported to the Board of Directors with all independent directors present notified
2023.03.10 The 5th Audit Committee in the 2nd term	1.Reported the results of business audits, audit deficiencies, recommendations and follow-up actions from January to February 2023 on the management of the Biotech Cosmetics Factory's "Production Cycle" and the Head Office's "Financing Cycle". 2.Reported on the Company's statement of internal control system for 2022. 3.Reported on the Company's inventory structure difference analysis in 2021 and 2022.	1.Reported to the Board of Directors with all independent directors present notified 2.All independent directors present resolved to approve the proposal and submitted it to the Board for discussion. The Board of Directors approved the Company's Statement of Internal Control System for 2022, which was filed on March 15, 2022.
2023.03.10 Seminar on the review of the internal control system for directors and internal auditors	Report on the improvement of audit work, internal control deficiencies and irregularities in 2022.	All independent directors present notified

2023.04.28 The 6th Audit Committee in the 2nd term	Report on the results of the Company's March 2023 business audit of the head office's "payroll loop" and other items, audit deficiencies and recommendations, and follow-up.	Reported to the Board of Directors with all independent directors present notified
2023.07.31 The 7th Audit Committee in the 2nd term	Report on the results of business audits, audit deficiencies, recommendations and follow-up actions for the Company's Cigu Salt Plant "Production Cycle", Tung-Hsiao Electrodialysis Refined Salt Factory "Purchase and Payment Cycle" and Taiyen Green "Supervision of Subsidiaries" from April through June 2023.	The case has been noted by all independent directors present and will be submitted to the Board of Directors for report.
2023.09.22 The 8th Audit Committee in the 2nd term	Report on the business audit results, audit deficiencies and recommendations, and follow-up on the Company's Taichung Sales Office "Sales and Receipts Cycle" and Biotech Healthcare Plant "Production Cycle" from July through August 2023.	The case has been noted by all independent directors present and will be submitted to the Board of Directors for report.
2023.09.22 Separate communication meeting for independent directors and the chief internal auditor	Discuss the audit plan for 2024.	The Chief internal auditor and independent directors carried out discussions and communications regarding questions proposed.
2023.09.11 The 9th Audit Committee in the 2nd term	1.Report on the results of the business review, audit deficiencies and recommendations and follow-up of the Company's Kaohsiung Sales Office and Taipei Sales Office on items such as "Sales and Receipt Cycle" from September to October 2023. 2.Report on the Company's 2024 Audit Plan.	1.Reported to the Board of Directors with all independent directors present notified 2.All independent directors present resolved to approve the proposal and submitted it to the Board for discussion. The Board of Directors approved the Company's 2024 Audit Plan and completed the reporting on December 8, 2023.

(II) Communication between the Audit Committee (independent directors) and CPAs:

1.The Company's CPA attends quarterly meetings of the Audit Committee on a routine basis, and convenes a separate communication meeting between the independent directors and the CPA annually to report to the independent directors on the results of the review or examination of the financial statements of the Company and its subsidiaries, and to explain the significant transactions and internal control audits contained in the financial statements. In the event of significant or extraordinary events or as required by relevant laws and regulations, the Company's CPA will attend the audit committee meetings from time to time to explain and communicate with the Company's CPA.

2.The communication situation in 2023 as follows:

日期 Date	Focus	Result
2023.02.03 Communication meeting for CPAs and those charged with governance (separate communication meeting for CPAs	1.The independence of CPAs. 2. Content of customer statements. 3. Preliminary examination of the consolidated and individual financial statements for the year 2022. 4. Key audit matters. 5. Updates on laws and regulations	CPAs attended the meeting in person to discuss the questions raised by independent directors.

and independent directors)		
2023.03.10 The 5th time for the 2nd term Audit Committee	1. Results of the audit of the consolidated and individual financial statements for the year 2022. 2. A description of the list of non-assurance services that Ernst & Young Associates expects to provide from 2023 through 2025. 3. The accountants discussed and communicated with the independent directors and the attendees.	All independent directors present at the meeting agreed to approve as presented, and the 2022 Consolidated and Individual Financial Statements were submitted to the Board of Directors for resolution.
2023.04.28 The 6th time for the 2nd term Audit Committee	1. The results of the review of the consolidated financial statements for the first quarter of 2023. 2. CPAs' answers to questions raised by independent directors and attendees	All of the independent directors present agreed to approve the proposal as presented, and the consolidated financial statements for the first quarter of 2023 were resubmitted to the Board of Directors for resolution.
2023.07.31 The 7th time for the 2nd term Audit Committee	1. The results of the review of the consolidated financial statements for the second quarter of 2023. 2. CPAs' answers to questions raised by independent directors and attendees	All independent directors present at the meeting agreed to approve as presented, and the consolidated financial statements for the second quarter of 2023 were submitted to the Board of Directors for resolution.
2023.09.11 The 9th time for the 2nd term Audit Committee	1. The results of the review of the consolidated financial statements for the third quarter of 2023. 2. CPAs' answers to questions raised by independent directors and attendees	All of the independent directors present agreed to approve the proposal as presented, and the consolidated financial statements for the third quarter of 2023 were resubmitted to the Board of Directors for resolution.

(III) Auditing Office

The Auditing Office shall conduct audit according to the monthly audit plan, compile an audit report, and send it to independent directors by e-mail.

Note 1: If an independent director leaves the Company before the end of the year, the date of his/her departure should be stated in the Remarks column. The actual attendance rate (%) is calculated based on the number of audit committee meetings held and the actual number of audit committee meetings attended during the period of his/her tenure.

Note 2: If there is any re-election of independent directors before the year-end date, the old and new independent directors should be listed, and in the Remarks column, it should be indicated whether the independent director is the old one, the new one, or his/her re-election and the date of re-election. The attendance rate (%) is based on the number of meetings of the Audit Committee divided by times of attendance in person during service.

(IV) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
I. Does the Company follow the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies to establish and disclose its corporate governance best practice principles?	V		The Company has established the Corporate Governance Best Practice Principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and disclose it on the company website.	None.
II. Shareholding structure & shareholders' rights				
(I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? Are such matters handled according to the internal operating procedures?	V		(I) The Branding and Marketing Department (PR Team), Financial Accounting Department, Legal Affairs Office, and other relevant departments are responsible for handling shareholders' suggestions or disputes.	None.
(II) Does the Company maintain a register of major shareholders with controlling power and a register of persons exercising ultimate control over those major shareholders?	V		(II) The Company keeps abreast of the shareholding of directors, managerial officers, and major shareholders holding more than 10% of the shares.	None.
(III) Does the Company establish and enforce risk control and firewall systems with its affiliates?	V		(III) The Company has established relevant controls in the internal control system, the "Rules Governing Financial and Business Matters Between the Company and its Affiliates," and the "Regulations Governing Related Party Transactions" according to law.	None.
(IV) Does the Company establish internal rules to prohibit insiders from trading in securities using information not disclosed to the market?	V		(IV) 1. The Company has formulated the "Regulations Governing the Prevention of Insider Trading." 2. The Company on 2023/1/7 to all employees and insiders, and on 2023/6/19 and 2023/7/5 to new directors to prevent insider trading related laws and regulations. Starting from March 2023, the Company has been educating all employees and directors on a monthly basis on stock trading control measures as of the date when they are notified of the Company's financial reports or related results, including but not limited to: Directors shall not trade	None.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			in stocks during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of the quarterly financial report.	
III. Composition and responsibility of the Board of Directors (I) Has the Board of Directors formulated a diversity policy and specific management objectives and implemented them?	V		(I) The Board of Directors has passed the Chapter 3 (Enhancing the Functions of the Board of Directors) of the "Corporate Governance Best Practice Principles," including the diversification policy. The nomination and selection of the Board members are handled according to the Articles of Incorporation, "Regulations for the Election of Directors," and "Corporate Governance Best Practice Principles" to ensure the diversity and independence of the Board members. 1. The thirteenth Board of Directors of the Company consists of 9 directors (including 3 independent directors). There are 2 female directors. One labor director with employee status is recommended by the labor union. The members of the Board of Directors have extensive experience and expertise in the fields of finance and accounting, law and management. 2. Of all directors, directors who are also employees account for 11%, independent directors for 33%, and female directors for 22%. None of the nine directors is related to a spouse or consanguineous within two degrees of consanguinity, three of the independent directors have been in office for less than three years, four directors are between the ages of 61 and 70, three directors are between the ages of 51 and 60, and one director is between the ages of 41 and 50. The Company's target ratio of female directors is 25% or more. Based on the principles of gender equality, diverse age groups and professional backgrounds in the composition of the Board of Directors, in the future, the Board of Directors will continue to consider the diversity of the Board of	None.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
			Directors in order to achieve the goal. 3. Please refer to the following table (Note 1) for the Company's policy on diversity of board members.	
(II) Does the Company set up other functional committees voluntarily in addition to the Remuneration Committee and the Audit Committee that had been established as required by the law?	V		(II) In the 12th meeting of the 9th-term Board of Directors on September 23, 2011, the Company passed the establishment of the Remuneration Committee. After the re-election of the 12th-term Board of Directors in 2019, the Audit Committee was established, along with functional committees, depending on the need of corporate governance.	None.
(III) Does the Company formulate the regulations and method for the performance evaluation of the Board of Directors, conduct performance evaluations regularly every year, report the results of the performance evaluation to the Board of Directors, and take it as a reference for the remuneration, nomination and re-appointment of each director?	V		(III) The Company has formulated the "Self-Evaluation or Peer Evaluation of the Board of Directors." Starting from 2020, the Company will conduct the annual evaluation and declare its results on a regular basis.	None.
(IV) Does the Company regularly assess the independence and suitability of its certified public accountants?	V		(IV) The Company's Finance Department conducts an annual assessment of the independence and suitability of the certified public accountants, and the results were reported to the 14th Board meeting for the 13th term on March 11, 2024 for consideration and approval. The Company's Finance Department has assessed that TSENG, YU-CHE and LI, FANG-WEN, Certified Public Accountants of Ernst & Young, meet the Company's independence and suitability criteria (Note 2) and are sufficiently qualified to act as the Company's certified public accountants. The CPA firm also issued a declaration (Note 3).	None.
IV. Does the Company deploy an appropriate number of suitable corporate governance personnel and designate a corporate governance officer responsible for corporate governance-related matters	V		The Board has resolved to appoint the Vice President as the Corporate Governance Officer on April 30, 2021. The Corporate Governance Officer is responsible for handling matters related to meetings of the Board of Directors and shareholders' meetings, assisting directors and supervisors in assuming office and	None.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
(including but not limited to providing directors and supervisors information required to perform business, assisting directors and supervisors in complying with laws, handling matters related to meetings of the Board of Directors and shareholders' meetings on the basis of the laws, and preparing the minutes of the Board meetings and shareholders' meetings, etc.)?			pursuing continuing education, providing directors and supervisors information required to perform business, assisting directors and supervisors in complying with laws, and handling other matters under the Article of Incorporation or contractual terms. The Company's Head of Corporate Governance has taken the required course of study, and the number of hours of study in 2023 were 24 hours. At present, details of the continual education of the Corporate Governance Officer are set out on page 62 of the annual report.	
V. Does the Company establish a means of communication with its stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and create a stakeholder section on the company website to respond to stakeholders' questions about its corporate social responsibility?	V		(I) Depending on the situation, the Company requires the Brand Marketing Division (Public Relations Group) and the Finance and Accounting Division and other relevant departments to communicate with stakeholders, and has a spokesperson and contact information for each relevant business department on the Company's website. (II) The Company has created a stakeholder section on the company website.	None.
VI. Does the Company entrust a professional stock transfer agent to manage shareholders' meetings and other relevant affairs?	V		The Company entrusts the Transfer Agency of CTBC Bank to manage shareholders' meetings and other relevant affairs.	None.
VII. Information disclosure				
(I) Does the Company establish a company website to disclose information on its finances, business, and corporate governance?	V		(I) The Company has set up a stakeholder section on the company website (http://www.tybio.com.tw) to disclose and regularly update information on its finances, business, and corporate governance.	None.
(II) Does the Company use other channels of information disclosure (e.g., maintaining an English website, designating persons to handling information collection and disclosure, appointing a spokesperson, and webcasting investor conferences)?	V		(II) The Branding and Marketing Department (PR Team), Corporate Development Department, Financial Accounting Department, and relevant departments are responsible for collecting and disclosing company information. The Company also has a spokesperson system in place, where Vice President serves as the spokesperson and Director of Financial Accounting Department as the deputy spokesperson.	None.
(III) Does the Company announce and report the annual financial statements within	V		(III) The Company announces and declares the annual financial statements and the financial	None.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
two months after the end of the fiscal year, and announce and report the financial statements for the first, second and third quarters and the monthly operations before the prescribed period?			statements for the first, second and third quarters within the time limits prescribed in the Securities and Exchange Act. According to the regulations, the monthly Sales are announced and declared before the 10th day of the following month.	
VIII. Does the Company have other important information that can facilitate the understanding of its operations of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relationships, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors)?	V		(I) For more information on employee rights and interests and employee care, refer to V. Labor Relations in Chapter V. (II) For more information on investor relations, refer to I (IV). Major Shareholders (Top 10 Shareholders) in Chapter IV. (III) For more information on supplier relationships, refer to II (III). Supply of Main Raw Materials in Chapter V. (IV) The Company has no bank loans or endorsements/guarantees with any interested parties. (V) According to the regulations, the Company arranges continuing education for directors every year (refer to the table below). (VI) For more information on the implementation of risk management policies and risk measurement standards, refer to Listing of Risks in Chapter VII. (VII) The attendance at the Board meetings by directors is high (refer to the “Corporate Governance” section on the Market Observation Post System). (VIII) According to the Articles of Incorporation, the Company has purchased liability insurance for directors and managerial officers since 2004. (IX) The Company has formulated the “Code of Ethical Conduct for Directors and Senior Managerial Officers and Above” as a guideline for directors and senior managerial officers and above to abide by in the business activities and for stakeholders to better understand the Company’s moral standards.	None.
IX. Improvements made based on the result of the latest Corporate Governance Evaluation announced by Taiwan Stock Exchange Corporation and priorities and measures for improvement (exempt if the Company is not included in the evaluation): According to the 9th Corporate Governance Assessment released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation: the Company will list 41~60% of listed and over-the-counter companies				

Evaluation Item	Implementation Status (Note 1)			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Summary Description	
with market capitalization of $5~10 billion by industry in 2023. As for the part that has been improved, the Company has disclosed the English version of the information of the shareholders' meeting, the English version of the annual report, the English version of the annual financial report, and the English version of the material information in the Market Observation Post System (MOPS). The Company will continue to improve on the items that did not score well (e.g., the English version of the sustainability report, the English version of the interim financial report) in order to improve the score.				

Note: Describe the implementation status in the summary whether "Yes" or "No."

Note 1:

Taiyen Biotech Co., Ltd.
Board Diversification Policy

I. Purpose

To enhance the functions and structure of the Board of Directors, the Board Diversification Policy is established in accordance with Article 20 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies."

II. Diversification Policy

The structure of the Board of Directors shall be determined by choosing an appropriate number of the Board members, not less than five, in consideration of the Company's business scale, the shareholdings of its major shareholders, and practical operational needs.

The composition of the Board of Directors shall be determined by taking diversity into consideration. Directors concurrently serving as managerial officers shall not exceed one-third of the total number of the Board members, and a spousal relationship or a familial relationship within the second degree of kinship shall not exist among more than half of the directors. An appropriate diversification policy based on the Company's business operations, operating dynamics, and development shall be formulated and include, without being limited to, the following two general standards:

1. Basic requirements and values: gender, age, nationality, and culture.
2. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

Board members should generally possess the knowledge, skills and qualities necessary to carry out their duties. In order to achieve the desired objectives of corporate governance, the Board as a whole should possess the following competencies:

1. Operational judgement.
2. Accounting and financial analysis skills.
3. Management skills.
4. Crisis management skills.
5. Industrial knowledge.
6. International market perspective.
7. Leadership skills.
8. Decision-making ability.

III. Management Goals

1. Each gender of the Board members shall be one-fourth of the total number of directors and above.
2. Directors concurrently serving as managerial officers shall not exceed one-third of the total number of the Board members.
3. A spousal relationship or a familial relationship within the second degree of kinship shall not exist among more than half of the directors.

Note 2:

(1) Criteria for Assessing Accountant Independence

Evaluation Item	Evaluation Result	Independence
1. Is there any direct financial interest or significant indirect financial interest between the accountant and the Company?	No	Yes
2. Are the CPAs involved in any loans or guarantees with the Company or its directors?	No	Yes
3. Do the CPAs have a close business relationship and potential employment relationship with the Company?	No	Yes
4. Do the CPAs or the family members of the audit team members serve as the Company's directors, supervisors, or managerial officers or hold positions with a direct and significant influence on the audit work?	No	Yes
5. Do the CPAs or the audit team members currently or in the past two years serve as directors, supervisors, or managerial officers or hold positions with a direct and significant influence on the audit work?	No	Yes
6. Do the CPAs accept gifts or special offers from the Company?	No	Yes
7. Have the CPAs not been rotated for more than 7 years and been reappointed within 2 years after the rotation?	No	Yes
8. Do the CPAs provide the Company non-audit services that may directly affect the audit work?	No	Yes

(2) The suitability of the Company's accountants is evaluated with reference to the Audit Quality Indicators (AQIs), which include five major components: professionalism, quality control, ndependence, supervision, and innovation:

Evaluation Item		Compliance with suitability standards
Professionalism	1.Auditing experience: Whether the senior auditors have sufficient auditing experience to perform auditing work. 2.Training hours: Whether the accountants and senior auditors receive sufficient education and training each year to continuously acquire professional knowledge and skills. 3.Turnover rate: Whether the firm maintains a sufficient number of experienced human resources. 4.Professional support: whether the firm has enough professionals (such as evaluators) to support the audit team.	Yes
Quality Control	1.CPA load: whether the CPA work load is too heavy. 2.Audit effort: check whether the team members' effort in each audit stage is appropriate. 3.EQCR Review: Whether the EQCR CPA has devoted sufficient hours to perform the review of the audit case. 4.Professional support: whether the firm possesses professionals (such as evaluators) to support the audit team.	Yes
Independence	1.Non-audit service fees: The impact of the percentage of non-audit service fees on independence. 2.Client familiarity: the influence on the independence of the audit case related to the cumulative number of years the audit firm has signed the annual financial report	Yes
Supervision	1.External inspection deficiencies and penalties: whether the firm’s quality control and audit cases are performed in accordance with relevant laws and regulations. 2.The competent authority issues a letter to improve: whether the quality control and audit cases of the firm are carried out in accordance with relevant laws and regulations and standards.	Yes
Innovation	1.Innovation planning or initiative: the commitment of the accounting firm to improve audit quality, including the innovative capability and planning of the accounting firm.	Yes

Others	1.Complete the quarterly financial statements of the Company as scheduled. 2.Complete the audit/review of the quarterly financial statements of subsidiaries as scheduled. 3.Provide the company's financial, taxation and regulatory consulting services from time to time.	Yes

Note 3: The declaration of independence was issued by the accounting firm:

Ernst & Young Global Limited

11F, No. 189, Sec. 1, Yongfu Road
Tainan City, Taiwan, R.O.C, 70051

Tel: 886 6 292 5888
Fax: 886 6 200 6888
www.ey.com/twiwan

The Declaration of the Independency of Accountants

Taiyen Biotech Co., Ltd.
Board of Directors and Audit Committee:

This statement represents our communication of independence for the year as required by applicable laws and professional standards.

In accordance with auditing standards, we report to you that Ernst & Young Global Limited has adhered to relevant ethical standards regarding independence. We are not aware of any relationships or other matters that might be considered to affect independence.

In accordance with auditing standards and the IESBA Code, we report to you the fees charged by Ernst & Young and its affiliates for audit and non-audit services provided to your company during the financial reporting period.

This statement is intended for the reference and use of your company's board of directors, audit committee, management, and other personnel, and may not be used for any other purpose.

Best regards,

Ernst & Young Global Limited

Roger Tseng

Accountant

Fang-Wen Lee

March 11th, 2024

The director's participation in continuing education courses in 2022:

Title	Name	Course Name	Training Hours	Remark
Director	Wang, Ching-Tien	2022 Labor Directors' Professional Knowledge Training Activities	8	Ministry of Labor

Directors' participation in continuing education programs in 2023:

Title	Name	Course Name	Training Hours	Remark
Acting Chairman of the Board	Liu, Ya-Chuan	1. Promoting Green Transformation: Towards Net Zero Carbon Emission 2. ESG Investment and Corporate Social Responsibility	6	1. Accounting Research and Development Foundation 2. Project Management Institute (PMI) - Taiwan
Director	Liao, Hsien-Kuei	1. Seminar on Sustainable Governance Empowered by Board of Directors 2. Sustainable Supply Chain and Circular Economy	6	1. Taiwan Corporate Governance Association 2. Securities & Futures Institute
Director	Wang, Ching-Tien	2023 Workshop on Promoting Labor Education - Activities for Trade Unions and Labor Directors	8	Ministry of Labor
Director	CHU, WEI-YI	Practical Workshop for Directors and Supervisors (Including Independent Directors and Supervisors) and Corporate Governance Executives-Taipei Class	12	Securities & Futures Institute
Director	CHAO, KUO-HSIANG	2023 Cathay Sustainable Finance and Climate Change Summit	6	Stock Exchange & Cathay Financial Holdings, Vision Magazine
Director	Chen, Kuan-Ping	1. Protection of Trade Secrets and Fraud Detection Practices 2. 2023 Cathay Sustainable Finance and Climate Change Summit 3. ESG trends and practical analysis	9	1. Taiwan Corporate Governance Association 2. Stock Exchange & Cathay Financial Holdings, Vision Magazine 3. Taiwan Corporate Governance Association
Independent Director	WU, SHIH-HAO	1. How to supervise the company's risk management and internal control? 2. Trend of international climate change and ESG analysis	6	1. Taiwan Corporate Governance Association 2. Taiwan Institute of Directors
Independent Director	LI, CHIA-LING	1. 2023 Cathay Sustainable Finance and Climate Change Summit 2. Domestic and international economic and industrial trends and corporate response strategies	6	1. Stock Exchange & Cathay Financial Holdings, Vision Magazine 2. Greater China Financial and Economic Development Association

Title	Name	Course Name	Training Hours	Remark
Acting Chairman of the Board	Liu, Ya-Chuan	1. Promoting Green Transformation: Towards Net Zero Carbon Emission 2. ESG Investment and Corporate Social Responsibility	6	1. Accounting Research and Development Foundation 2. Project Management Institute (PMI) - Taiwan
Independent Director	LIN, YU-PEN	1. IFRS2 share-based payment and important issues of IFRS9, IFRS15, IFRS16 2. Money Laundering and Insider Trading Case Studies 3. Introduction to ESG and Overview 4. Accounting Standards under Climate Change 5. Impact of the Sustainability Action Plan and Assurance Organization's Management Practices on the Accountancy Profession	15	CPA ASSOCIATIONS R.O.C.(TAIWAN)

Attendance of Heads of Corporate Governance on Further Education Courses in 2023:

Organizer	Course Name	Date	Number of Training Hours
Securities & Futures Institute	2023 Insider Trading Prevention Awareness Session	2023.06.09	3
Stock Exchange & Cathay Financial Holdings, Vision Magazine	2023 Cathay Sustainable Finance and Climate Change Summit	2023.04.07	6
Taiwan Corporate Governance Association	How to carry out shareholding planning and organizational structure design for start-ups.	2023.07.21	3
Taiwan Corporate Governance Association	Corporate Financial Statement Fraud and Case Studies	2023.08.05	3
Taiwan Corporate Governance Association	Net-Zero Sustainability Talent Development Workshop [South] - Carbon Governance and Sustainable Ecosystems	2023.10.26~27	9

(V) The composition, duties and operation of the Remuneration Committee:

On 23 September 2011, the 12th board meeting for the 9th term approved the establishment of the Company's Remuneration Committee. On 29 July 2022, the Board of Directors approved the appointment of WU, SHIH-HAO, an independent director, LI, CHIA-LING, an independent director, and TSAI, WAN-CHIH, an attorney, as members of the Fifth Remuneration Committee of the Company, with WU, SHIH-HAO, an independent director, acting as the convenor and chairman of the meeting.

The Remuneration Committee shall exercise the care of a good administrator in faithfully performing the official powers below: (1) prescribe and periodically review the performance evaluation and the policy, system, standards, and structure of remuneration (including travel allowances) for directors, supervisors, and managerial officers; and (2) Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers (including travel allowances).

In 2023, four meetings of the Remuneration Committee were held on February 13, April 18, October 30, and December 29 respectively.

Separately, for 2024, one meeting of the Remuneration Committee has been convened so far, on February 29.

1. Composition of the Remuneration Committee

2024.02.29

Identity (Note 1)	Name	Professional Qualification and Experience (Note 2)	Independence Status (Note 3)	Number of Other Public Companies where the Individual Concurrently Serves as Member on Remuneration Committee
Independent Director (Convener)	WU, SHIH-HAO	Expertise and experience in finance and business: 1. PhD in Business Administration, National Taipei University 2. Professor, Department of Marketing and Distribution Management, National Kaohsiung University of Science and Technology 3. Hotai Motor Co., Ltd. - Independent Director 4. Vice President and Acting President, Commerce Development Research Institute 5. Independent Director, Taiwan Tobacco and Liquor Corporation	Members of the Remuneration Committee are Independent Directors of the Company. For the independent status, please refer to Professional Qualification of Directors and Independence Status of Independent Directors on page 27 of the annual report.	1
Independent Director	LI, CHIA-LING	Possess accounting, financial, and business expertise and experiences: 1. Ph.D. in Management, National Sun Yat-sen University 2. Professor, Department of Accounting, National Chengchi University 3. Director, Ditmanson Medical Foundation Chia-Yi Christian Hospital 4. Director, PAU-KAN Foundation 5. Independent Director, Alcorlink Corp. 6. Supervisor, Corporate Synergy Development Center 7. Director, Small and Medium Enterprise Credit Guarantee Fund of Taiwan	Members of the Remuneration Committee are Independent Directors of the Company. For the independent status, please refer to Professional Qualification of Directors and Independence Status of Independent Directors on page 27 of the annual report.	0

Others	TSAI, WAN-CHIH	Possess legal expertise and experiences: 1. Graduated from National Taipei University with a Bachelor's Degree in Law, and studied at the Institute of Law of National Chung Cheng University. 2. Passed the Bar Exam 3. Member, Chiayi County Government Architect Discipline Committee 4. Member, Chiayi County Government Architectural Dispute Evaluation Committee 5. Member, Chiayi County Government Appeal Board	1. Not a spouse, relative within the second degree of kinship, or a director, supervisor, or employee of the Company or its affiliates. 2. The number of shares of the Company held by and shareholding of the Director, its spouse, or relatives within the second degree of kinship (or in others' name) is 0. 3. Not a director, supervisor, or employee of the Company or its related companies. 4. Not a director, supervisor or employees of another company where the same person controls a majority of the Company's directors or shares with voting rights. 5. Does not provide business, legal, financial, or accounting services to the Company or affiliates.	0

Note 1: Please specify relevant years of working experience, professional qualifications and experience, and independent status of each member of the Remuneration Committee; for independent directors, make remarks to refer to relevant content in Table 1 (I) Directors and Supervisors on page 17, and specify the identity as independent director or others (please specify the convener).

Note 2: Professional qualification and experiences: Specify the professional qualification and experience of individual members of the Remuneration Committee.

Note 3: Independent status: Specify the independent status of members of the Remuneration Committee, including but not limited to whether the independent director, its spouse, or relative within the second degree of kinship is a director, supervisor, or employee of the Company or its affiliates, the number of shares held by and the shareholding of the independent director, its spouse, or relative within the second degree of kinship (or in the name of others), whether any of them is a director, supervisor, or employee of a company with special relationship with the Company (please refer to subparagraphs 5 to 8, paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange), and the remunerations obtained from providing business, legal, or accounting services to the Company or its affiliates for the past two years.

Note 4: Please refer to the sample of best practice principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. Operation of the Remuneration Committee

(1) The Remuneration Committee consists of 3 members.

(2) Term of office of the current members: 29 July 2022 to 22 June 2025. The Fifth Remuneration Committee met four times in the recent year (A). Membership and attendance are as follows:

Title	Name	Times of Attendance in Person (B)	Number of attendance by proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	WU, SHIH-HAO	4	0	100%	5th Term
Member	LI, CHIA-LING	4	0	100%	5th Term

Title	Name	Times of Attendance in Person (B)	Number of attendance by proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Member	TSAI, WAN-CHIH	4	0	100%	5th Term
Other matters to be recorded: I. If the Board of Directors does not adopt or amend the recommendations of the Compensation Committee, the date and duration of the Board of Directors' meeting, the contents of the motion, the results of the Board of Directors' resolution, and the Company's disposition of the Compensation Committee's opinion shall be described (and, if the Board of Directors approves a compensation that is superior to the Compensation Committee's recommendation, the difference and the reason for the difference shall be described): N/A. II. Regarding resolutions of the meeting of the Remuneration Committee, if there is any written record or statement pertaining to members' objections or reservations, the date and session of the Remuneration Committee meeting, contents of the proposal, the opinion of the said member, and the actions in response to the said opinion should be stated: None.					

Note: (1) If a member on the Remuneration Committee leaves office before the end of the year, the date of leaving should be indicated in "Remark." The attendance rate (%) is based on the number of meetings of the Remuneration Committee divided by times of attendance in person during service.

(2) If there is a re-election of members on the Remuneration Committee before the end of the year, both the newly elected and former members should be listed, and whether the members are newly elected, former, or re-elected, as well as the date of re-election, should be indicated in "Remark." The attendance rate (%) is based on the number of meetings of the Remuneration Committee divided by times of attendance in person during service.

3. Membership and operation of the Nomination Committee: the Company has not established a Nomination Committee and will evaluate whether to do so in the future.

4. Summary of significant resolutions of the Compensation Committee for the year 2023 and up to the date of publication of the annual report and the Company's handling of members' opinions:

Date	Summary of Resolution	Action in Response to the Remuneration Committee's Opinions
2023.02.13	■ Approved Directors' and Employees' Compensation for 2022 ■ Approved the distribution ratio of employees' remuneration and directors' and supervisors' remuneration in 2022 for Taiyen Green Energy Co.., Ltd. ■ Reviewed and revised the Company's standardized table for supervisors' bonuses. ■ Approved severance payment to WU, JUNG-HUI, former Chairman of the Company	Submitted to the Board of Directors for approval.
2023.04.18	■ Passed the Company's standardized table for supervisors' bonuses. ■ Approved salary adjustment for managers involved in labor negotiation. ■ Approve the bonus for managers involved in the relevant labor negotiation.	Submitted to the Board of Directors for approval.
2023.10.30	■ Passed the policy, system, standards, and structure of remuneration ■ Approved monthly remuneration standards for the Company's senior managers' (General Manager, Deputy General Manager).	Submitted to the Board of Directors for approval.
2023.12.29	■ Approved the revision of the Company's key points for the three major festivals and performance bonuses. ■ Approved the Company's standard salary reference table for the Chairman and General Manager of the	Submitted to the Board of Directors for approval.

	Company's investee companies.	
2024.02.29	■ Approved the remuneration for directors and employees for 2023. ■ Approved the revision of the "Key Points for Approval of Three Major Festivals Bonus" and "Key Points for Approval of Performance Bonus" by Taiyen Green Energy Co.., Ltd.	Submitted to the Board of Directors for approval.

(VI) The implementation situation of promoting Sustainable Development and the circumstances and reasons for the differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development? Also, has the Board of Directors authorised senior management to handle related matters? What is the supervision of the Board of Directors?	V		1. Governance structure: (1) In accordance with the "Code of Corporate Governance Practices for Listed and OTC Companies" of the Taiwan Stock Exchange (hereinafter referred to as the "TSE"), the Company established the "Code of Corporate Governance Practices for Taiyen Biotech Co., Ltd." on 26 December 2014, to ensure a good corporate governance system. In order to ensure a good corporate governance system, the Company has also established relevant by-laws such as the "Rules of Procedure for the Company's Shareholders' Meeting", "Rules of Procedure for the Board of Directors' Meeting", "Self-Disciplinary Code on Disclosure of Information on Mergers and Acquisitions", "Code of Business Conduct with Corporate Integrity", "Code of Ethical Conduct for Directors, Supervisors and Executives of the First Degree or Above", "Rules Governing the Organization of Audit Committee" and "Rules Governing the Organization of the Salary and Compensation Committee". The Company also discloses its relevant information and latest news in the Investor Section of its website and on MOPS of the TWSE to maintain healthy communications with shareholders and consumers, achieving responsible operations. (2) The Company has set up a dedicated Energy Saving, Carbon Reduction and Greenhouse Gas Inventory Implementation Team to carry out greenhouse gas inspections and report the implementation progress to the Board of Directors on a quarterly basis.	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			2. Implementation status for organizations of the Company: (1) The Board of Directors approved the "Corporate Governance Best Practice Principles of Taiyen Biotech Co., Ltd." in 2015. The Company also established a Corporate Social Responsibility Committee in 2016 and appointed the Public Relations Unit of the Brand Marketing Division to write the Corporate Social Responsibility Report. The CSR Committee has been renamed as the Corporate Sustainability Committee in 2021. The CSR Report will be renamed the Sustainability Report in 2021. (2) The Corporate Social Responsibility Committee (renamed Sustainability Committee in May 2021) is divided into four responsible teams, namely, "Corporate Governance Team," "Customer Care and Public Welfare Team," "Environmental Sustainability Team," and "Employee's Care Team"; each team is formulated by members from different departments, who are chief executives of the Company, based on categories of issues. The Committee meets biannually and invites external consultants to conduct benchmarking exercises at its meetings. Each working group puts forward an annual sustainability proposal to promote the Company's sustainable development. At the beginning of the year, the Company sets targets to be achieved by each team for the year. After the Committee's approval, the Company continuously tracks management's achievement of the set objectives and reviews them at the year-end meeting. (3) The Company's Energy Saving, Carbon Reduction and Greenhouse Gas Inventory Implementation Team is convened by the Chairman of the Board of Directors, with the President of the Company as the Chief Executive Officer, and the heads of each unit as the team leaders. Starting from the second quarter of 2022, the progress of greenhouse gas inventory planning and implementation will be reported to the Board of Directors on a quarterly basis. Taiyen's company-wide GHG inventory information will be disclosed in 2025 (one year earlier than the deadline required by the FSC).	

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			3. The Board of Directors of the Company supervises sustainable development matters as follows: (1) Promote and supervise works related to aspects of ethical corporate operations and risk management. (2) Track and examine the implementation status and achievements of sustainable corporate development. (3) In accordance with the disclosure stage (the Company is in the third stage) stipulated in the Sustainability Roadmap for Listed and OTC Companies, the Company's GHG reduction targets, strategies and specific action plans, after approved by the Board of Directors, will be announced together with the disclosure of the GHG emission inspection information before 2025.	
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle and formulate relevant risk management policies or strategies? (Note 2)	V		1. The Company has conducted a risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle in the Code of Practice for the Sustainable Development of Listed and OTC Companies. The risk management of the Company complies with relevant business natures, for which different management units are held responsible; the Audit Office is responsible for preparing and implementing the risk-oriented audit plan and carrying out review regarding the existing or potential risks of different operations. Risks identified by Taiyen are mostly in economic and social aspects, various risk management methods, and risks that Taiyen may face in the short-term, and corresponding measures. 2. To effectively control corporate risks and achieve the concept of sustainable operations, the Company established its “internal control” and established the “Implementation Rules for Internal Audits.” The audit plan covers all operating activities of Taiyen and assist the Board of Directors and managerial officers in inspecting and reviewing the internal control management status, by adopting eight major trading cycles, computer information system processing and control operation, management control operation, and lobbying and business performance management, and provide recommendations for improvement in due course. In addition, Taiyen further adopted the 2023 "Statement	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			of Internal Control System" at the 14th Board Meeting for the 13th term on March 11, 2024. 3. The Company also follows the GRI Standards to analyze the substantive requirements of major topics. Based on the identification of stakeholders and the results of the questionnaire survey, and through the heads of various departments of Taiyen, we analyzed the short, medium and long-term financial and long-term financial and non-financial impacts and risks. These were evaluated in five areas: economic, social, environmental, product, and corporate governance. Finally, ten major issues were identified, which include business performance, anti-corruption, quality management, corporate governance and integrity, corporate brand image, consumer/customer health and safety, occupational health and safety, employee treatment and benefits, and labor-management communication. (Please refer to the Company's Sustainability Report) 4. The Company operates in the food and biotechnology manufacturing industry, on which climate change has significant effects in the course of operations of the Company. We identify risks of climate change regarding aspects of disasters, regulations, and market, and propose countermeasures, so as to effectively manage the climate change risks. For example, the Company is developing greenhouse gas emission reduction measures, improving energy efficiency to reduce costs, and developing renewable energy to reduce the climate impact of greenhouse gas emissions on global warming. (On September 2, 2023, the Company completed the interconnection and transmission of ground-mounted solar farms in the Luzhu District of Kaohsiung City. The investment amount is about $91 million, and the annual green power generation is about 2.2 million kWh).	
III. Environmental issues (I) Does the Company establish a suitable environmental management system based on its industrial characteristics?	V		(I) 1. The Company carries out its environmental management systems according to governmental regulations, including fixed pollution source management, waste clearing management, GHG emission management, and regulations related to environmental protection.	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			2. Currently, GHG emission calculations for Tung-Hsiao Electrodialysis Refined Salt Factory comply with CNS in accordance with the regulations, and the declarations are made annually according to the requirements. 3. Discussions are performed for relevant management measures of factories of the Company annually to prepare relevant countermeasures.	
(II) Is the company committed to improving energy efficiency and using recycled materials that have a lower impact on the environment?	V		(II) 1.In order to improve energy efficiency and reduce carbon emissions, the Company has completed the update of steam power equipment and boiler equipment to effectively improve energy efficiency. 2. The Company uses recycled packaging materials and increases the goal and proportion of using recycled packaging materials, for example: the proportion of recycled cartons used in transportation cartons, and some packaged water and cleaning products use bottles made of recycled ester granules.	None.
(III) Has the company assessed the potential risks and opportunities of climate change for the enterprise now and in the future, and taken relevant countermeasures?	V		(III) 1. The Company has begun to analyze the impact, risks and opportunities of climate change on the future of the company, and has completed greenhouse gas emission inspection and verification planning and related work in accordance with the relevant regulations and timetable requirements of the Financial Supervisory Commission, and will begin Develop greenhouse gas reduction targets, strategies, specific action plans and reduction targets. 2. To tackle climate-related risks and address the Sustainable Development Goals (SDGs) of the UN, Taiyen has unveiled the Task Force on Climate-Related Financial Disclosures (TCFD) framework, which aims to identify risks associated with climate change, connect with possibilities and practical strategies to accomplish the objectives of sustainable management and encourage stakeholder communication. Based on the guidelines of the TCFD framework, Taiyen divides climate change risks into transformation risks and physical risks, and develops policies and regulations for the short- and long-term that address technology, market, reputation, and physical risks that are classified as	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			transformation risks, identifies potential climate change risks and opportunities, and regularly submits reports the Taiyen Sustainability Committee in order to discuss reaction plans, enhance organizational climate resilience, and identify short-, medium-, and long-term climate risks and opportunities across departments.	
(IV) Has the company compiled statistics on greenhouse gas emissions, water consumption, and total weight of waste over the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	V		(IV) 1. Since 2010, the company has completed the environmental accounting system of each unit, using more complete green management information as the basis for planning and promoting environmental protection issues, and achieving the effectiveness of resource use. 2. Greenhouse gas emissions: (1) Data Coverage: Tung-Hsiao Electrodialysis Refined Salt Factory. (2) Direct + indirect GHG emissions: Year 2022: 24,318 metric tons of direct energy + 1,003 metric tons of indirect energy (total 25,321 metric tons). Year 2023: 24,563 metric tons of direct energy sources + 893 metric tons of indirect energy sources (total 25,456 metric tons). (3) Intensity (Scope 1 + Scope 2 metric tons CO2e/million revenue): Year 2022: 8.318 Year 2023: 8.035 (4) Assurance Scope: Tung-Hsiao Electrodialysis Refined Salt Factory. (5)Assurance Conditions: Year 2022: Verification by DNV GL Business Assurance Co., Ltd. and compliance with the current regulations of the Ministry of Environment. Year 2023: Planned but not yet completed. Complete assurance information will be disclosed in the Sustainability Report. 3. Water Consumption: (1) Data Coverage: Tung-Hsiao Electrodialysis Refined Salt Factory. (2) Water Consumption: Year 2022: 12,996,446 metric tons (seawater + tap water).	None. 1. This information is based on the 2022 inventory of the Tongxiao plant and external assurance data. The source of information disclosed in the Sustainability Report is environmental accounting data, which is different from that disclosed in the inventory. 2. Although the Company's greenhouse gas emissions have completed the 2022 annual inventory and external confirmation, according to the timetable for submitting to the Board of Directors for approval, the Company's greenhouse gas emissions information will be disclosed in the 2024 annual report. Therefore, for the time being, the Company is only making reference to the cases of disclosure of greenhouse gas emissions of other companies, and is only disclosing some of the emissions information of the Tongxiao Plant (the plant is a Ministry of the Environment regulated plant, and the relevant information is subject to confirmation

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability Report. (3) Intensity (tons/million revenue): Year 2022: 4,269.53 Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability Report. (4) Assurance Conditions: Internal company statistics. Not confirmed. 4. Waste: (1) Data coverage: Company-wide. (2) Hazardous business waste: N/A. (3) General business waste: Year 2022: 699.89 tons. Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability Report. (4) Intensity (tons/million for revenue) Year 2022: 0.229 Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability Report. (5) Assurance Conditions: Internal company statistics. 5.Environmental Management Policy: (1) Greenhouse gas: In accordance with the disclosure stage (the Company is in the third stage) stipulated in the Sustainability Roadmap for Listed and OTC Companies, the Company's GHG reduction targets, strategies, and specific action plans will be announced together with the disclosure of the GHG emission inspection information before 2026. (2) Water use: The Company does not use water from sources with high water pressure. The company will continue to promote the concept through various methods such as posters and slogans to integrate the concept of water conservation into every detail of office life. (3) Waste: To promote the recycling and reuse of resources and achieve the purpose of sustainability, paper, iron, plastic,	and public information). The emission data for the whole Company will not be disclosed for the time being.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			and other wastes are stored in storage areas according to their properties. The company also notifies qualified manufacturers from time to time. Transport to a qualified disposal facility for recycling and reuse	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with related laws and regulations and international human rights conventions?	V		(I) 1. In order to achieve corporate sustainability and protect the basic human rights of all colleagues, customers and stakeholders, the company supports and abides by the "United Nations Universal Declaration of Human Rights", and in order to respect internationally recognized basic human rights, the Company has specially formulated Human Rights Policy. 2. The company provides equal job opportunities to job seekers and will hire employees in 2023, without any human rights violations or discrimination. 3. In order to provide employees and job applicants with a working and service environment free from sexual harassment, the company takes appropriate preventive, corrective, and punitive measures to safeguard the rights and privacy of the parties. The company specifically complies with Article 13, Paragraph 1 of the Gender Equality in Employment Act. , and the "Guidelines on Measures to Prevent and Control Sexual Harassment in the Workplace" promulgated by the Ministry of Labor, which stipulates the Company's "Key Points for Complaints and Punishment on Preventive and Control Measures for Sexual Harassment in the Workplace". In addition, according to the Company's "Key Points for Complaints/Reporting Operations", the company has a complaint channel to protect employees' human rights and prevent employees' human rights from being damaged and sexual harassment cases not being reasonably resolved. 4. In 2023, the company will hold a publicity course on "Gender Equality for Women and Children" and provide course handouts for colleagues to watch online.	None.
(II) Does the Company formulate and implement reasonable	V		(II) 1. The company states in its articles of association that if the company makes a	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
employee benefits (including salary, leave and other benefits, etc.) and appropriately reflect the operating performance or results on the compensation of employees?	V		profit, it should allocate 2.25% to 3.75% as employee remuneration, and appropriately reflect operating performance or results in employee remuneration. \In addition, the company has clearly formulated various management regulations. Based on the company's operating performance, the company should increase salaries (an average increase of 3.5% in 2023) and issue year-end bonuses every year. 2.The Company sets salary standards with reference to market conditions, work content, experience and abilities. Therefore, the salary of male and female employees with the same position and the same experience and ability will not differ based on gender. In addition, in order to create a diverse workplace environment, the Company's female employees will account for 40.7% in 2021, 41.5% in 2022, and 42.0% in 2023, showing a trend of increasing year by year. Women account for 32.2% of supervisors. 3. The company carefully creates an excellent working environment, strengthens employees' living welfare, sets up reading rooms and multi-functional sports venues, and organizes employee recreational activities from time to time every year to maintain employee relationships and enhance staff cohesion. Furthermore, there are multiple leave-taking requirements more favorable than the Labor Standard Act, such as sick leaves and sick leaves with special permission.	
(III) Does the Company provide a safe and healthy work environment for employees and regularly organize health and safety training for employees?	V		(III) 1. The Company monitors the operations particularly hazardous to health as prescribed in the "Labor Health Protection Rules" every six months and provides the workers of such operations a special health examination and suitable personal protective equipment every year; for workers whose health examination results require Level 3 management and above, the Company arranges a diplomate with occupational medicine to follow up their health conditions and adjusts their work and work environment based on the diplomate's advice. The company's health check-up age is superior to what is regulated, and employee health check-ups are	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			conducted every year. 2. In accordance with the "Labor Health Protection Rules", the Company specifically contracts with medical staff to provide health services for the company's employees, to enhance employees' workplace safety and health. In 2023, physician health services were provided for 14 sessions totalling 28 hours. Nurse health services were provided for 179 sessions totalling 377 hours. A total of 439 people received health interviews and guidance. 3. The Company holds health lectures and safety and health education and training from time to time to inform colleagues of safety issues in the workplace, and to enhance their self-safety awareness. In 2023, a total of 853 people participated in internal training, and 263 people received in-service education and training on occupational safety and health. 4.The Company creates a safe working environment through the following measures. (1) Formulation of the occupational safety and health rules. (2) Appointment of qualified operators for dangerous equipment and regular inspections according to law. (3) Automatic inspections of equipment according to the regulations. (4) Occupational safety and health training and emergency drills. (5) Provision of the safety data sheet and the list of hazardous chemicals and regular training. (6) Regular work environment monitoring. (7) Provision of personal protective equipment according to the safety requirements. (8) Monthly production safety audits and quarterly occupational safety and health audits. (9) Fire inspections and drills. 5. Tung-Hsiao Electrodialysis Refined Salt Factory successfully passed the occupational safety and health management system ISO 45001:2018 verification on August 1, 2023, and was recognized by the international	

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
			verification agency (verification scope: salt products, packaged water products, and tourism factories). The validity period is from August 1, 2023 to July 31, 2026. 6. The Company had 2 occupational accidents in 2023, with 2 people injured, accounting for 0.4% of the total number of employees. 1 occupational disaster: A colleague suffered heat stroke due to hot weather while on a business trip. The employee was unsteady due to dizziness, resulting in a sprain. Preventive measures: When the weather is hot, everyone should drink more water and take a break. Anyone who feels unwell should rest immediately and wait until the body recovers before starting work. Another occupational accident: a store employee tripped over store merchandise and was injured. Improvement measures: The location of items should be re-planned so as not to affect the working path. 7. The Company had no fire incidents or commuting accidents in 2023.	
(IV) Does the Company establish effective career development and training plans for employees?	V		(IV) The company formulates training plans every year based on organizational needs, and has planned courses such as management and professional, general education and lectures, and new personnel training in 2023, which not only enhances employees' current positions and future career paths abilities and qualities to further stimulate the development potential of employees. We have established a comprehensive training system to provide extensive learning opportunities and resources that offer comprehensive training plans for new employees and all levels of officers.	None.
(V) Regarding issues such as customer health and safety, customer privacy, marketing and labeling related to products and services, does the company follow relevant laws and international standards, and establish policies and complaint procedures to protect the rights and interests of consumers or customers?	V		(V) Each store and customer service hotline provide various product consultation services, and accept and handle consumer complaints in accordance with the "Key Points for Handling Product Customer Complaints" set by the company.	None.
(VI) Does the Company formulate	V		(VI) The contract between the Company and	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
a supplier management policy which requires suppliers to comply with the relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and disclose the suppliers' implementation?			its major suppliers stipulates that if the supplier violates its corporate sustainability policy, the Company may terminate or terminate the contract at any time. The Company stipulates in the procurement contract the necessary conditions for the workers' living and work environments: In case of accidents, measures such as rescue, restoration, reconstruction, and compensation to Party A and third parties shall be taken immediately, and all waste, garbage, unnecessary or unqualified materials, tools and other equipment shall be removed from the site and surrounding areas to keep the environment safe and clean; provisions on the protection of labor rights and insurance are also included. Party B shall comply with the Act of Gender Equality in Employment, Sexual Harassment Prevention Act, and Labor Standards Act. If Party B's employees are not enrolled in labor and health insurance or are forced to work, child labor, or involved in the violation of gender equality or sexual harassment, Party A may immediately request Party B to improve within the time limit and pay punitive liquidated damages; if Party B fails to improve or commits another offense, Party A may terminate the contract. Party B also agrees that Party A may assign employees to conduct audits in accordance with labor laws and regulations in case of the above circumstances. Raw materials are subject to heavy metal tests, and test reports shall be compiled in accordance with the "Sanitation Standard for Food Utensils, Containers and Packages." Products are subject to food safety and quality assurance. If products are returned three times, the Company may cancel the contract and confiscate the performance bond, and Party B shall not object.	
V. Does the company refer to internationally accepted standards or guidelines for report preparation and prepare sustainability reports, etc., to disclose the company's non-financial information?	V		1. The Company writes its sustainability report with reference to the GRI Sustainability Reporting Standards (GRI Standards) as its primary disclosure framework and also follows the Sustainability Accounting Standards Board (SASB). Disclosure is conducted in accordance with the disclosure	None.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	
Does the previous report obtain the assurance or verification statement of a third-party verification unit?			standards issued by the United Nations Financial Stability Board and the Task Force on Climate-related Financial Disclosures (TCFD). 2 To enhance the information quality and credibility of the report, the Company's sustainability report has been assured by Ernst & Young LLP, proving that it complies with Appendix 4 of the "Operation Measures for the Preparation and Submission of Sustainability Reports by Listed Companies" Table 1 Sustainability Indicators and GRI Standards. And the company has given limited assurance to relevant reports, according to Assurance Standard No. 3000 "Standards on Assurance Engagements (for cases that are not set for historical financial information review or review)" issued by the Accounting Research and Development Foundation of the Republic of China.	

VI. If the company has its own sustainable development code based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe the differences between its operation and the code.

The Corporate Social Responsibility Committee was established to promote matters in relation to corporate social responsibility. On January 26, 2016, the "Corporate Social Responsibility Committee Charter" was enacted. In line with the "Corporate Governance 3.0-Sustainable Development Blueprint" officially launched by the Financial Supervisory Commission in August 2020, the company followed the regulations and aligned with international development trends, and modified the name of the Corporate Social Responsibility (CSR) report to the Sustainability Report (ESG) Report). The committee was renamed Taiyen Corporate Sustainability Committee on May 10, 2021.

Based on the Key Points, the Company's Sustainability Committee is composed of the general manager as the chairman, the deputy general manager as the deputy chairman, and the first-level supervisor of each group's execution unit as the member. A total of 4 teams are under the Corporate Social Responsibility Committee: Corporate Governance Team, Customer Service and Social Welfare Team, Environmental Sustainability Team, and Employee Care Team. The executive units of each team are as follows:

(I) Corporate Governance Team: Corporate Development Department, Salt and Water Business Division, Branding and Marketing Department, General Affairs Department, Auditing Office, Legal Affairs Office, Financial Accounting Department, and the proceeding clerk of the Board of Directors.

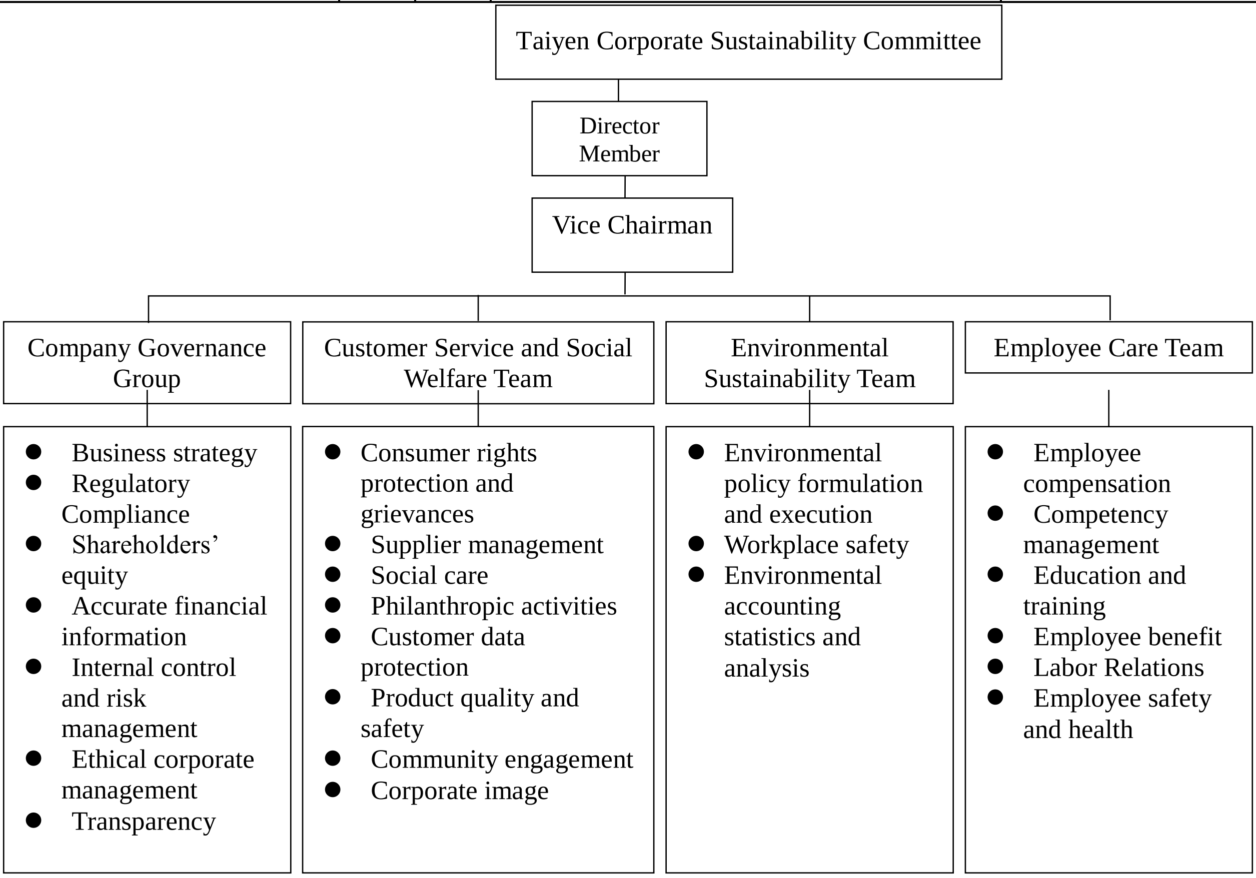
(II) Customer Service and Social Welfare Team: Branding and Marketing Department, Salt and Water Business Division, Biotech Business Division, R & D Department, Legal Affairs Office, Corporate Development Department, General Affairs Department, Tung-Hsiao Electrodialysis Refined Salt Factory, Biotech Health Products Factory, Biotech Cosmetics Factory, Cigu Salt Plant, and Import Salt Storage and Transportation Office.

(III) Environmental Sustainability Team: Corporate Development Department, Tung-Hsiao Electrodialysis Refined Salt Factory, Biotech Health Products Factory, Biotech Cosmetics Factory, Cigu Salt Plant, Import Salt Storage and Transportation Office, General Affairs Department, Financial Accounting Department, Biotech Business Division, and Salt and Water Business Division.

(IV) Employee Care Team: General Affairs Department, Occupational Safety and Health Office, Tung-Hsiao Electrodialysis Refined Salt Factory, Biotech Health Products Factory, Biotech Cosmetics Factory, Cigu Salt Plant, and Import Salt Storage and Transportation Office.

Organizational Structure of Corporate Sustainability Committee for Taiyen Biotech Co., Ltd.

Evaluation Item	Implementation Situation (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof
	Yes	No	Summary Description (Note 2)	



The Company's Sustainability Committee has held a meeting on April 17 and December 14, 2023 to discuss matters related to the Company's sustainable operations.

VII. Other important information to help understand the implementation of the Sustainable Development Best Practice Principles:
The Company has detailed its corporate sustainability operations in its sustainability report, which can be downloaded and read on the Company's website (www.tybio.com.tw). It will help the public understand the Company's corporate sustainability practices. Operational situation.

Note 1: If you check "Yes" for implementation status, please specify the important policies, strategies, measures and implementation status adopted. If you check "No" for the implementation situation, please explain the difference and related reasons in the "Differences from the Code of Practice for Sustainable Development of Listed and Over-the-counter Companies, and Related Reasons". And explain plans for relevant policies, strategies and measures that may be adopted in the future.
Note 2: The principle of materiality means that environmental, social and corporate governance issues that could have a significant impact on the company's investors and other stakeholders should be taken into account.
Note 3: Please refer to the sample of best practice principles on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(VII) Climate-related Info:

1. Differences in the implementation of climate-related information between the Company and listed and over-the-counter companies, and related reasons (according to the provisions of the standards for matters that should be recorded in the annual

reports of listed and over-the-counter companies that are publicly issued, this would be applicable starting from January 1, 2024.)

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note)</th><th rowspan="2">Differences in climate-related information for listed and listed companies and Relevant reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td>I. Describe the oversight and governance of climate related risks and opportunities by the Board of Directors and management.</td><td>V</td><td></td><td>1. Board of Directors and its functional committees: Overseeing climate change risks, response strategies, and the results of related promotion programs and objectives.
2. Taiyen Sustainability Committee: Coordinate with relevant departments within the Company to jointly review the internal and external risks faced by the Company (including the risk of climate change) and formulate risk response strategies for major company-wide risk issues.</td><td>None</td></tr>
<tr><td>II. Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term and long-term).</td><td>V</td><td></td><td>Taiyen refers to the TCFD framework guidelines, distinguishing climate change risks by transition risks and physical risks. It lists the policies and regulations related to transition risks, and the immediate and long-term impacts involving technology, market, reputation and physical risks, and even identifies the risks of climate change. Potential risks and opportunities. The company regularly reports to the Taiyen Sustainability Committee, allowing cross-departments to identify short, medium, and long-term climate risks and opportunities, discuss response strategies, and improve organizational climate resilience.</td><td>None</td></tr>
<tr><td>III. Describe the financial impact of extreme climate events and transformational actions.</td><td>V</td><td></td><td>Taiyen investigated climate change risks and found that climate-related risks can be mainly divided into physical risks (increased extreme weather, disruption of supply chains caused by climate factors, rising global fuel prices) and transformation risks (policy and legal regulations, increased demand for low-carbon products) , impact on corporate green image, changes in consumer preferences), thus strengthening responses to climate change. Taiyen will further analyze and explore various risks and opportunities in coming years, develop response strategies for the next stage, and provide more complete information disclosure, including: related risks and opportunities, as well as the financial impact that may affect operations, income or expenses.</td><td>None</td></tr>
</table>

Evaluation Item	Implementation Status (Note)			Differences in climate-related information for listed and listed companies and Relevant reasons
	Yes	No	Summary Description	
IV. Describe how the process of identifying, assessing and managing climate risk is integrated into the overall risk management system.	–	–	Taiyen's climate risk assessment process is divided into four steps: situational data collection and interviews, TCFD questionnaire distribution and collection, climate risk analysis and assessment, and climate risks and opportunities response strategies. Relevant climate risk information is collected, analyzed and assessed, corresponding strategies are formulated, and the effectiveness of the implementation is reviewed regularly as a direction for future improvement.	–
V. If scenario analysis is used to assess the company's resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used should be explained.	V		Taiyen refers to and adopts carbon emission evolution scenarios such as STEPS, Sustainable Development Scenario (SDS) and 2050 Net Zero Emissions Scenario (NZE) proposed by the International Energy Agency (IEA) to calculate carbon emissions to 2050, valuation, and further assess the impact of potential carbon charges on Taiyen. The climate change risk assessment conducted by the Company has been disclosed in the Company's sustainability report.	None
VI. If there is a transformation plan to manage climate related risks, please describe the content of the plan and the indicators and targets used to identify and manage physical and transformation risks.	–	–	Not applicable	–
VII. If internal carbon pricing is used as a planning tool, please describe the basis for setting the price.	–	–	Not applicable	–
VIII. If climate related targets are set, please describe the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress made each year; if carbon offsets or renewable energy certificates (RECs) are used to achieve the target, please describe the source and quantity of carbon credits or RECs to be offset.	–	–	Not applicable	–
IX. Greenhouse gas inspection, assurance situation, reduction targets, strategies, and specific action plans.	V		1. The Company's Tung-Hsiao Electrodialysis Refined Salt Factory complies with government regulations and carries out greenhouse gas emission statistics,	None

Evaluation Item	Implementation Status (Note)			Differences in climate-related information for listed and listed companies and Relevant reasons
	Yes	No	Summary Description	
			external unit verification and reporting, in accordance with the law, every year. 2. In accordance with the disclosure stage (the Company is in the third stage) stipulated in the Sustainability Roadmap for Listed and OTC Companies, the Company's GHG reduction targets, strategies, and specific action plans will be announced together with the disclosure of the GHG emission inspection information before 2026.	

2. The company's greenhouse gas inspection and assurance status in the past two years (according to the sustainable development road map of listed and over-the-counter companies, the Company is a company that discloses information in the third stage. Therefore, the company will start to disclose information in 2025 in 2026 Greenhouse gas emission inspection information.)

(1) Greenhouse Gas Inspection Info

Describe the Company's greenhouse gas emissions (metric tons of CO2e), intensity (metric tons of CO2e per million) and the scope of the data for the past two years.
1. Data Coverage: Tung-Hsiao Electrodialysis Refined Salt Factory 2. Direct + indirect GHG emissions: (1) Year 2022: 24,318 metric tons of direct energy + 1,003 metric tons of indirect energy (total 25,321 metric tons). (2) Year 2023: 24,563 metric tons of direct energy + 893 metric tons of indirect energy (total 25,456 metric tons). 3. Intensity (metric tons CO2e/million): (1) Year 2022: 8.318. (2) Year 2023: 8.035.

Note 1: Direct emissions (Category 1, i.e. directly from emission sources owned or controlled by the company), indirect energy emissions (Category 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam), and others - Indirect emissions (Category 3, that is, emissions generated by company activities which are not indirect emissions between energy, but come from emission sources owned or controlled by other companies).

Note 2: Regarding direct emissions and indirect emissions caused by energy use, the coverage of relevant information shall be handled in accordance with the timetable specified in Article 10, Paragraph 2 of these Guidelines. Other indirect emissions information may be disclosed voluntarily.

Note 3: Greenhouse gas inspection standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or turnover. However, at least the data in terms of turnover (NTD million) should be disclosed.

(2) Greenhouse Gas Assurance Info

Describe the assurance situation for the most recent two years as of the publication date of the annual report, including assurance scope, assurance organization, assurance standards, and assurance opinions.
1.Assurance Scope: Tung-Hsiao Electrodialysis Refined Salt Factory. 2.Assurance Organization: (1) Year 2022: DNV Business Assurance Co., Ltd. (2) Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability

Report. 3. Assurance standards: Greenhouse gas emission inspection and registration management measures, greenhouse gas emission inspection operation guidelines and other laws and regulations, the Environmental Protection Agency of the Executive Yuan issued relevant latest regulations on the enterprise greenhouse gas emission information platform. 4.Assurance Opinions: (1) 2022: In order to comply with the current regulations of the Ministry of Environment, it is found from the verification results that no substantive restrictions have been violated, and it meets the reasonable assurance level recognized by the Ministry of Environment. (2) Year 2023: Not yet completed. Complete assurance information will be disclosed in the Sustainability Report.

Note 1: It should be handled in accordance with the time schedule specified in Article 10, Paragraph 2 of these Guidelines. If the company has not obtained a complete greenhouse gas assurance opinion by the publication date of the annual report, it should indicate that "the complete assurance information will be disclosed in the sustainability report." If the company has not prepared a sustainability report, it should indicate that "the complete assurance information will be disclosed in the sustainability report." "Released to the Public Information Observatory" and complete assurance information will be disclosed in the annual report of the following year.

Note 2: Assurance Organization should comply with the relevant requirements for assurance organizations in sustainability reports set by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEx).

Note 3: The disclosure can be found in the best practices reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

3. Greenhouse gas reduction goals, strategies and specific action plans

Describe the greenhouse gas reduction base year and its data, reduction targets, strategies, specific action plans, and achievement of reduction targets.
1. The Company's Tung-Hsiao Electrodialysis Refined Salt Factory complies with government regulations and carries out greenhouse gas emission statistics, external unit verification, and reporting in accordance with the law every year. 2. In accordance with the disclosure stage (the Company is in the third stage) stipulated in the Sustainability Roadmap for Listed and OTC Companies, the Company's GHG reduction targets, strategies and specific action plans will be announced together with the disclosure of the GHG emission inspection information before 2026.

Note 1: It should be handled in accordance with the timetable specified in Article 10, Paragraph 2 of these Guidelines.

Note 2: The base year should be the year in which the inspection is completed based on the boundaries of the consolidated financial report. For example, according to Article 10, Paragraph 2 of these Standards, companies with capital of 10 billion yuan or more should complete the 2024 consolidated financial report in 2025. Therefore, the base year is 2024. If the company has completed the inspection of the consolidated financial report in advance, the earlier year can be used as the base year. In addition, the data in the base year can be calculated as the average of a single year or several years.

Note 3: The disclosure can be found in the best practices reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(VIII) The company’s performance of honest operations and measures taken:

To establish a corporate culture of ethical corporate management and to strengthen corporate governance and risk management, the Board of Directors approved the "Ethical Corporate Management Best Practice Principles" (23 articles in total) on March 23, 2012. The amendment to the "Ethical Corporate Management Best Practice Principles" was approved by the Board of Directors and took effect on February 21, 2020 and set to be reported in the shareholders' meeting on June 19, 2020. The "Ethical Corporate Management Best Practice Principles" clearly specifies that the directors, managerial officers, and employees of the Company shall abide by laws and regulations and prevent any unethical conduct in business activities. The "Ethical Corporate Management Best Practice Principles" has been made available on the company website (Investor Zone) since March 3, 2020.

The Company implements ethical corporate management in accordance with the Company Act, Securities and Exchange Act Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, and relevant regulations on

TWSE/TPEx listing or other relevant laws on business conduct.
When performing duties, directors, managerial officers, employees, and persons having substantial control over the Company shall not directly or indirectly offer, promise to offer, request or accept any form of improper benefits, including rebates, commissions, and facilitation payments, nor shall they offer or receive improper benefits to or from customers, agents, contractors, suppliers, public servants or other stakeholders through other means.

Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Thereof

Evaluation Item	Implementation Status (Note)			Differences from the Code of Conduct for TWSE/TPEx Listed Companies and the Reasons therefor
	Yes	No	Summary Description	
I. Establishing ethical corporate management policies and measures (I) Does the Company develop ethical corporate management policies approved by the Board of Directors and clearly state its policies and practices of ethical corporate management in the regulations and external documents? Are the Board of Directors and the senior management committed to implementing business policies?	V		(I) The Company will conduct relevant legal education to insiders and all employees on January 7, 2023, and to new directors and directors on June 19, 2023, and July 5, 2023, so that they can fully understand the company's determination to operate with integrity, Policies, prevention programs and consequences for breaches of dishonesty.	None.
(II) Does the Company establish the assessment system for the risks of unethical conduct and regularly analyze and assess the business activities with higher risks of unethical conduct within its business scope? Does the Company establish prevention programs against unethical conduct which at least cover the prevention measures for the conduct specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(II) The Company has formulated the "Ethical Corporate Management Best Practice Principles," "Code of Ethics for Directors, and Senior Executives," and "Guidelines for Handling Complaint/Grievances" for implementation.	None.
(III) Does the Company establish and implement operating procedures, code of conduct, penalties for violation and complaint system in the prevention programs against unethical conduct, and review and revise the said programs regularly?	V		(III) According to the "Principles for Establishing Internal Control Systems for Publicly Issuing Companies", the company has established an internal control system and regularly conducts internal control inspections. The Company has a grievance/reporting system and a personnel evaluation committee. If personnel violate regulations, offer or accept bribes, or engage in related dishonest behavior, they will be punished in accordance with the "Key Points for Personnel Rewards and Punishments".	None.
II. Implementing ethical corporate management (I) Does the Company evaluate the ethical records of	V		(I) The Company selects dealers/distributors according to the	None.

Evaluation Item	Implementation Status (Note)			Differences from the Code of Conduct for TWSE/TPEx Listed Companies and the Reasons therefor
	Yes	No	Summary Description	
transaction partners, and stipulate the clauses of ethical conduct in the contracts signed with the transaction partners?			dealer/distributor selection regulations (forms: distributor selection application, customer profile, customer line of credit evaluation form, response to refund inquiry, etc.) and stipulates the clauses of ethical conduct in the contracts (payment and performance guarantee).	
(II) Does the Company establish an unit under the Board of Directors that is exclusive for the promotion of ethical corporate management and reports regularly (at least once a year) to the Board of Directors the supervision of ethical corporate management policies and prevention programs against unethical conduct?	V		(II) In order to improve the management of integrity management, the Company's administrative office is responsible for the formulation, supervision and implementation of integrity management policies and prevention plans, and reports to the board of directors regularly. The company has reported the implementation of honest operations to the board of directors on November 9, 2023. The Company’s auditing unit is responsible for internal control and auditing on matters in relation to ethical corporate management. If any defects are found, the auditing unit shall require immediate corrections from relevant units and report to the Board. The dedicated unit is responsible for collecting and compiling the lobbying incidents received by each unit every quarter and approving them or submits them to the Board for approval. The Board shall give guidance and supervise the incidents reported by the dedicated unit. The dedicated unit collects the requests/proposals made by related units every quarter and handles them or reports them to the Board of Directors for supervision.	None.
(III) Does the Company adopt policies to prevent conflicts of interest and provide a proper appeal system and implement them thoroughly?	V		(III) No conflicts of interest occur in the Company. The "Ethical Corporate Management Best Practice Principles" clearly specifies that offering or taking bribes or offering illegal political donations, improper charitable donations or sponsorships, improper gifts or entertainment, or other improper benefits shall be prohibited. Any conflicts of interest may be filed or reported in accordance with the "Guidelines for Handling Complaint/Grievances."	None.
(IV) Does the Company have an	V		(IV) The Company has an effective	None.

Evaluation Item	Implementation Status (Note)			Differences from the Code of Conduct for TWSE/TPEx Listed Companies and the Reasons therefor
	Yes	No	Summary Description	
effective accounting system and internal control system set up to facilitate ethical corporate management? Does the internal audit unit formulate audit plans based on risk assessment results of unethical conduct, and audit compliance with the unethical conduct prevention programs by itself or by the CPAs?			accounting system and internal control system set up, and engages CPAs to conduct the annual audit on relevant account books and issue an auditor's report; in addition, the Auditing Office is responsible for conducting the audit every month based on the audit plan, issuing a written audit report, and following up the improvements of each department on a regular basis. The audit report is submitted to the Chairman for approval and reported to the Board of Directors.	
(V) Does the Company organize internal and external training on ethical corporate management on a regular basis?	V		(V) Based on the business needs, employees are assigned to attend training courses organized by the Company or third parties from time to time.	From time to time.
III. Implementing the whistle-blowing system (I) Does the Company formulate a concrete whistle-blowing and reward system, build convenient grievance channels, and assign the appropriate personnel to investigate the reported parties?	V		(I) To protect the interests of the Company and employees, a dedicated officer has been assigned to handle complaints and grievances in accordance with the "Guidelines for Handling Complaint/ Grievances." The person in charge of handling internal employee complaints/reports is the Director of the Administration Department. The person in charge who handles external affairs or complaints/reports involving directors and senior managers is the director of the audit office.	None.
(II) Does the Company establish standard operating procedures for the investigation on complaints and the follow-up measures to be adopted after the investigation is completed as well as the relevant confidentiality mechanisms?	V		(II) Complaints/reports may be made orally or in writing. Complaints or reports should be reported to the project leader designated by the chairman, or a special case team should be organized for investigation and follow-up processing. The results of the investigation and handling should be reported to the chairman for review. If the complaint or report involves a director or senior manager, it should be reported to the audit committee. For complaints or reports, the investigation process will be handled confidentially.	None.
(III) Does the Company take measures to protect whistle-blowers from inappropriate disciplinary	V		(III) The Company makes every effort to keep a whistle-blower's identity secret and to protect the whistle-blower from any form of	None.

<table>
<tr><td rowspan="2">Evaluation Item</td><td colspan="3">Implementation Status (Note)</td><td rowspan="2">Differences from the Code of Conduct for TWSE/TPEx Listed Companies and the Reasons therefor</td></tr>
<tr><td>Yes</td><td>No</td><td>Summary Description</td></tr>
<tr><td>actions?</td><td></td><td></td><td>retaliation and threats.</td><td></td></tr>
<tr><td>IV. Enhancing disclosure of information
Does the Company disclose the content and performance of the Ethical Corporate Management Best Practice Principles on the company website and Market Observation Post System?</td><td>V</td><td></td><td>The "Ethical Corporate Management Best Practice Principles" is available on the company website (Investor Zone - Company Management).</td><td>None.</td></tr>
<tr><td colspan="5">V. If the Company has formulated its ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," any differences between the performance of ethical corporate management and the principles should be disclosed: None.</td></tr>
<tr><td colspan="5">VI. Other significant information that helps to understand the implementation of ethical corporate management (e.g., review of and amendments to ethical corporate management policies): None.</td></tr>
<tr><td colspan="5">VII. The substantial practices for implementing ethical corporate management policies each year and the program to prevent unethical behavior:
1. In September and October 2023, the company will hold a "Workplace Integrity and Legal Risk Sharing" course. The course lasts 2 hours and has 479 participants.
2. In order to comply with the Company's Integrity Management Code, the company re-formulated the Company's Integrity Management Declaration in June 2023. All 9 directors and 3 managers signed the declaration, with a 100% signature rate.
3.The Company shall abide by the contents of the Integrity Management Policy Statement:
According to Article 2 of Taiyen Biotech Co., Ltd.'s Code of Business Integrity, the declarant is willing to abide by Taiyen Biotech Co., Ltd.'s Code of Business Integrity, the relevant regulations of listed and over-the-counter companies and other laws and regulations related to integrity management. While engaging in business activities, they shall not directly or indirectly provide, promise, request or accept any improper benefits, or engage in other dishonest acts that violate integrity, legality, or breach of fiduciary obligations in order to obtain or maintain benefits.</td></tr>
</table>

Note: Describe the implementation status in the summary whether “Yes” or “No.”

(IX) If the company has formulated a corporate governance code and relevant regulations, it should disclose the relevant inquiry methods:
The Company currently has relevant regulations on corporate governance including: "Code of Corporate Governance Practice", "Rules of Procedure for the Company's Shareholders' Meeting", "Measures of Procedure for the Board of Directors", "Self-Discipline Standards for the Disclosure of Corporate M&A Information", "Company Code of Integrity Management", "Code of Ethical Conduct for Directors and First-Level Supervisors and above" and "Organizational Rules of the Salary and Remuneration Committee", etc. Relevant information can be inquired through the corporate governance area of the Stock Exchange's Public Information Observatory and the corporate governance area of the Company's official website.

(X) Other important information that may be disclosed together to enhance the understanding of corporate governance operations : N/A.

(XI) The following matters regarding the implementation status of the internal control system should be disclosed:

1. Statement of Internal Control System

   Passed at the 14th Board Meeting for the 13th term on 03/11/2024, as shown in the Attachment.

Taiyen Biotech Co., Ltd.

Statement of Internal Control System

Date: March 11, 2024

Based on the findings of a self-assessment, Taiyen Biotech Co., Ltd. (the Company) states the following with regard to its internal control system during the year 2023:

1. The Company, with certainty, takes the establishment, implementation, and maintenance of the internal control system as the responsibility of the Company's Board of Directors and management. The Company has established the internal control system, of which the purpose is to provide reasonable assurance over the effectiveness and efficiency of its operations (including profitability, performance, and safeguarding of assets), reliability, timeliness, and transparency of its reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide a reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to the extenuating circumstances beyond control. However, the Company's internal control system contains a self-monitoring mechanism, and the Company takes immediate remedial actions in response to any identified deficiencies.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the "*Regulations Governing Establishment of Internal Control Systems by Public Companies*" (the "Regulations"). The criteria adopted by the "Regulations" identify five key components of managerial internal control: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each element further includes several items which can be referred to in the provisions of the "Regulations."
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Based on the findings of such evaluation, the Company believes that, as of December 31, 2023, it has maintained an effective internal control system (including the supervision and management of subsidiaries) to provide reasonable assurance over the Company's operational effectiveness and efficiency, reliability, timeliness, and transparency of its reporting, and compliance with applicable laws and regulations.
6. This Statement is an integral part of the Company's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the *Securities and Exchange Act*.
7. This Statement was approved by the Company's Board of Directors on March 11, 2024. Among the 8 directors present, 0 people held dissenting opinions, whereas the others agreed to the content of this Statement. The Statement is concluded herein.

Taiyen Biotech Co., Ltd.

Chairman: Ya-chuan Liu

General Manager: Shih-Hui Chen

2. If a CPA has been hired to carry out a special audit of the internal control system, the audit report should be disclosed: None.

(XII) The company and its internal personnel were punished in accordance with the law, the company's punishment of its internal personnel for violating the internal control system regulations, major deficiencies and improvements in the most recent year and as of the date of publication of the annual report: N/A.

(XIII) Resolutions of shareholders' meetings and board of directors in the most recent year and as of the publication date of the annual report

1. Review of resolutions and implementation of shareholders' meetings in 2023 and up to the date of publication of the annual report

Date	Summary of Resolution	Implementation
2023.06.19	1. Recognized the Company's 2022 annual business report and financial statements. 2. Recognized the Company's surplus distribution in 2022. 3. Passed a revision of the Company's "Rules of Procedure of Shareholders' Meeting". 4. By-elected one of the thirteen independent directors of the Company.	1. Acknowledged as proposed by vote. 2. Acknowledged as proposed by vote; cash dividends at NT$1.5 per share to be distributed in September. 3. Adopted as proposed by vote and disclosed on the company website. 4. One seat for the thirteenth independent director has been by-elected at the shareholders' meeting, who assumed office on June 19, 2023, and whose term of office will expire on June 22, 2025.

2. Summary of important resolutions of the board of directors in 2023 and as of the publication date of the annual report:

Date	Summary of Resolution
2023.04.28	■ Passed the Company's "Consolidated Financial Report" for the first quarter of 2023. ■ Passed the revision of the Company's "Administrative Measures to Prevent Insider Trading". ■ Passed the revision of the Company "Audit Committee Organizational Rules". ■ Passed the amendment to the "Subsidiary Management Regulations." ■ Passed the amendment to the "Rules of Procedure for Shareholders Meetings." ■ Passed "850ml alkaline ionized water PET square bottle" bottle purchase. ■ Passed the Company's employee salary increases for 2023. ■ Passed labor negotiations for manager salary increases. ■ Passed labor negotiations for manager bonuses. ■ Passed the revision of the standards for supervisory differential pay. ■ Passed the Company's additional agenda for the regular shareholders' meeting in 2023. ■ Passed the review on the list of independent director candidates nominated by shareholders for the 13th term of the Board of Directors.
2023.07.31	■ Passed the Company's "Consolidated Financial Report" for the second quarter and first half of 2023. ■ Passed the Company's 2023 cash dividend distribution base date. ■ Authorized the management department to renew a contract with the general distributor of "Taiyen Marine Alkaline Ionized Water", and further negotiate and adjust the contract guarantee performance, and the calculation and payment methods of performance bonuses.
2023.09.22	■ The board of directors agreed to let the management department analyze the cost changes of edible salt, and study the feasibility of improving cost-effectiveness.
2023.11.09	■ Passed the Company's "Consolidated Financial Report" for the third quarter of 2023 and the first three quarters. ■ Passed the Company's 2024 operating budget and capital expenditures budget. ■ Passed the Company's 2024 annual audit plan. ■ Authorized the labor procurement for "Tung-Hsiao Electrodialysis Refined Salt Factory's bulk transportation operations of salt and packaged water products", and authorized the management department to make purchases. ■ Passed the Company's 2024 board meeting date. ■ Passed the revision of the Company's employees' retirement pension and severance measures. ■ Passed the review on the Company's salary and remuneration system, standards, and structure. ■ Approved the Company's monthly salary standards for senior managers (general manager, deputy general manager).
2023.12.04	■ Passed the appointment of director and chairman of Taiyen Green Energy Co., Ltd., an investee

Date	Summary of Resolution
	company of the Company.
2024.02.01	■ Passed the Company's plans to apply for an import forward letter of credit financing limit of US$4 million from the Taiwan Cooperative Bank. ■ Passed the amendment to the "Subsidiary Management Regulations." ■ Approved the revision of the Company's key points for the three major festivals and performance bonuses. ■ Approved the Company's standard salary reference table for the Chairman and General Manager of the Company's investee companies. ■ Passed reappointment of the legal person director and supervisory representative of the Company's investee company.
2024.03.11	■ Passed the amendment and ratification of the Articles of Association for Taiyen Green Energy Co., Ltd. ■ Passed the Company's consolidated and individual financial reports for 2023. ■ Passed the Company's 2023 assessment results on independence and competency of certified accountants in Financial and Tax Auditing. ■ Passed the Company's 2023 earnings distribution. ■ Passed the Company's 2023 business report. ■ Passed the Company's "2023 Internal Control System Statement" filing and annual report publication. ■ Passed the distribution of directors' remuneration and employee remuneration in 2023. ■ Approved the revision of the "Key Points for Approval of Three Major Festivals Bonus" and "Key Points for Approval of Performance Bonus" by Taiyen Green Energy Co., Ltd. ■ Passed the appointment of the directors, supervisors, chairman and general manager of Taiyen (Xiamen) Import & Export Co., Ltd. for the 7th term. ■ Passed the revision of Company "Measures of Procedures of the Board of Directors". ■ Approved the Company's 2024 regular shareholders' meeting date. ■ Approved the Company's 2024 regular shareholder meeting agenda.

(XIV) For the most recent year and up to the date of printing of the annual report, if a director or supervisor has a different opinion on an important resolution passed by the Board of Directors and there is a record of it or a written statement of it, the main contents of which are as follows: N/A.

(XV) A summary of the resignation and/or dismissal of the Chairman of the Board of Directors, the General Manager, the Head of Accounting, the Head of Finance, the Head of Internal Audit, the Head of Corporate Governance, and the Head of Research and Development of the Company during the most recent year and up to the date of the printing of the annual report.

2024.02.29

Title	Name	Date of Appointment	Date of Dismissal	Reason for Resignation or Dismissal
Chairman	Wu, Jung-Hui	April 30, 2021	2023.02.06	take up another post

Note: People concerned herein refer to the chairperson, president, accounting manager, financial manager, chief auditor, corporate governance officer, and research and development officer.

(XVI) Managers participate in education and training related to corporate governance:

Title	Name	Course Name	Date	No. of Hours	Remarks
General Manager	Chen, Shi-Hui	2023 Cathay Sustainable Finance and Climate Change Summit	2023.07.04	6	Stock Exchange & Cathay Financial Holdings, Vision Magazine
Deputy General Manager	Li, Chieh-Han	2023 Insider Trading Prevention Awareness Session	2023.09.06	3	Securities & Futures Institute
		2023 Cathay Sustainable Finance and Climate Change Summit	2023.07.04	6	Stock Exchange & Cathay Financial Holdings, Vision Magazine
		How to carry out shareholding	2023.07.21	3	Taiwan Corporate

		planning and Organizational structure design for start-ups.			Governance Association
		Corporate Financial Statement Fraud and Case Studies	2023.08.25	3	Taiwan Corporate Governance Association
		Net-Zero Sustainability Talent Development Workshop [South] - Carbon Governance and Sustainable Ecosystems	2023.10.26~ 2023.10.27	9	Taiwan Corporate Governance Association
Director of Financial Accounting Department	Su Wei	Practical Analysis of the Impact of the Latest Sustainable Development Action Plan and Net-Zero Carbon Emissions on Financial Statements	2023.06.21	6	Accounting Research and Development Foundation
		ESG Disclosure and Audit Practices in Corporate-CPA Co-operation: Identifying and Assessing the Risk of Material Misrepresentation	2023.07.21	6	Allied Association of for Science Park Industries

(XVII) The existence of operating procedures for the disclosure of material internal information:
The Company's "Procedures for the Handling of Material Internal Information" has been placed on the Company's website on 10 November 2022 under "Corporate Governance" in the investor section for shareholders' and colleagues' enquiries.

IV. Information on the fees of the certified public accountants

Unit: NT$ thousands

Accounting Firm	Accountant 's Name	Period of Audit	Audit Fees	Non-audit Fees	Total	Remark
EY Taiwan Firm	Tseng, Yu-Che	2023.01.01-2023.12.31	1,870	1,646	3,516	The non-audit services provided by the Company include project fees of $1,145thousand for the sustainability report, $170 thousand for tax certification, $176thousand for consulting services and $155thousand for other services.
	Li, Fang-Wen	2023.01.01-2023.12.31				

Please specify the service content of the non-audit fees: (i.e. taxation certification, assurance, or other financial consultation services)

Note: In the event that the Company changes its accountant or accounting firm during the year, the audit period should be presented separately and the reasons for the change should be stated in the Remarks column, together with the disclosure of information on audit and non-audit fees paid. Please provide descriptions for the service content of non-audit fees.

(I) The Company should disclose the following, if any:

1. Amount of Audit Fees before and after the Change (if the Company Changes Its Accounting Firm and Audit Fees Paid for the Year of Change Are Lower than Those for the Previous Year) and the Reason:

   None.

2. Amount of Audit Fees before and after the Change (if Audit Fees Paid for the Current Year Are Lower than Stake 10% or More) and the Reason:

   None.

(II) Audit fees referred to in the preceding paragraph refer to the fees paid by the

Company to the certified public accountants for performing the audit, review and double-check of the financial reports, as well as the financial projections and reviews.

V. Information on Replacement of CPAs

The Company should disclose the following information on any replacement of CPAs in the last two years and subsequent periods:

(I) Former CPAs

<table>
<tr><td>Date of Replacement</td><td colspan="4">N/A</td></tr>
<tr><td>Reason for Replacement</td><td colspan="4">N/A</td></tr>
<tr><td rowspan="3">Termination by the Client or CPAs</td><td colspan="2">Concerned Party / Situation</td><td>CPA</td><td>Client</td></tr>
<tr><td colspan="2">Voluntary termination</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="2">Declination</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Opinions Other than Unqualified Opinions in the Most Recent Two Years and Reason</td><td colspan="4">N/A</td></tr>
<tr><td rowspan="6">Different Opinions with the Issuer</td><td rowspan="4">Yes</td><td colspan="2"></td><td>Accounting principles or practices</td></tr>
<tr><td colspan="2"></td><td>Disclosure of financial statements</td></tr>
<tr><td colspan="2"></td><td>Audit scope or steps</td></tr>
<tr><td colspan="2"></td><td>Other</td></tr>
<tr><td>N/A</td><td colspan="3"></td></tr>
<tr><td colspan="4">Note: N/A</td></tr>
<tr><td>Other Disclosures
(under Items 1-4 to 1-7, Subparagraph 6, Article 10 of the Regulations)</td><td colspan="4">N/A</td></tr>
</table>

(II) New CPAs

Name of Accounting Firm	N/A
Name of CPAs	N/A
Date of Appointment	N/A
The matters and results of consultations prior to the appointment concerning the accounting treatment of specific transactions or accounting principles and the possible existence of certain opinions on financial reporting	N/A
The written opinion of the successor accountant on the matters on which the predecessor accountant had different views.	N/A

(III) the predecessor's reply to the matters set out in paragraph 6(1) and (2)(3) of this Standard.

N/A

VI. Chairperson, President, or Any Managerial Officer in Charge of Financial or Accounting Matters in the Most Recent Fiscal Year Holding a Position at the CPAs' Accounting Firm or at an Affiliate of Such Accounting Firm (The term "affiliate of a CPA's accounting firm" means one in which the CPAs at the accounting firm of the attesting CPA hold more than 50% of the shares, or of which such CPAs hold more than half of the directorships, or a company or institution listed as an affiliate in the external publications or printed materials of the accounting firm of the CPAs.)

None.

VII. Any Transfer of Equity Interests and/or Pledge of or Change in Equity Interests (in the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report) by Directors, Supervisors, Managerial Officers, or Shareholders with a Stake of More than 10%

(Where the counterparty in any such transfer or pledge of equity interests is a related party, disclose the counterparty's name, its relationship between that party and the Company as well as the Company's directors, supervisors, and ten-percent shareholders, and the number of shares transferred or pledged.)

(I) Change in Equity Interests by Directors, Supervisors, Managerial Officers, or Shareholders with a Stake of More than 10%

Unit: Share

<table>
<tr><th rowspan="2">Job Title
(Note 1)</th><th rowspan="2" colspan="2">Name</th><th colspan="2">2023</th><th colspan="2">For the year ended 04/23/2024</th></tr>
<tr><th>Increase/Decrease in Number of Shares Held</th><th>Increase/Decrease in Number of Shares Pledged</th><th>Increase/Decrease in Number of Shares Held</th><th>Increase/Decrease in Number of Shares Pledged</th></tr>
<tr><td>Chairman</td><td>TBD (To Be Determined)</td><td rowspan="5">Representative of Ministry of Economic Affairs</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td><td rowspan="5">0</td></tr>
<tr><td>Acting Chairman of the Board</td><td>Liu, Ya-Chuan</td></tr>
<tr><td>Director</td><td>Liao, Hsien-Kuei</td></tr>
<tr><td>Director</td><td>CHU, WEI-YI (Inauguration Date: 07/05/2023)</td></tr>
<tr><td>Ten-percent Shareholder</td><td>Ministry of Economic Affairs</td></tr>
<tr><td>Director</td><td colspan="2">Sunshine Protech Inc. Representative: Chen, Kuan-Ping</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Director</td><td colspan="2">Tung Wei Construction Co. Ltd. Representative: CHAO, KUO-HSIANG</td><td>0</td><td>0</td><td>(2,000)</td><td>0</td></tr>
<tr><td>Independent Director</td><td colspan="2">LI, CHIA-LING</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Independent Director</td><td colspan="2">WU, SHIH-HAO</td><td>0</td><td>0</td><td>0</td><td>0</td></tr>
</table>

Independent Director	LIN, YU-PEN (Inauguration Date: 06/19/2023)	0	0	0	0
General Manager	Chen, Shi-Hui	0	0	0	0
Deputy General Manager and Corporate Governance Officer	Li, Chieh-Han	0	0	0	0
Director of Financial Accounting Department	Su Wei	0	0	0	0
Head of Audit Office	Mei-Yu Chuang (Note 3)				
Independent Director	HO, HUA-HSUN (Termination Date: 06/19/2023)	0	0	0	0

Note 1: Shareholders with a stake of more than 10% should be identified as majority shareholders and indicated separately.
Note 2: Fill in the following table if the counterparty of equity interests transferred or pledged is a related party.
Note 3: Since December 28, 2024, the head of the Company's audit office is no longer the manager referred to in this table.

(II) Transfer of Equity Interests

Name (Note 1)	Reason for Transfer (Note 2)	Transaction Date	Counterparty	Relationship between Counterparty and the Company, Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10%	Number of Shares	Price (NT$)
—	—	—	N/A	—	—	—

Note 1: Indicate the name of the director, supervisor, managerial officer, or shareholder with a stake of more than 10%.
Note 2: Indicate acquisition or disposal.

(III) Pledge of Equity Interests

Name (Note 1)	Reason for Pledge (Note 2)	Pledge Date	Counterparty	Relationship between Counterparty and the Company, Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More than 10%	Number of Shares	Shareholding Rate (%)	Pledge Rate (%)	Amount of Pledge (Redemption) (NT$)
—	—	—	N/A	—	—	—	—	—

Note 1: Indicate the name of the director, supervisor, managerial officer, or shareholder with a stake of more than 10%.
Note 2: Indicate pledge or redemption.

VIII. Relationship among Ten Largest Shareholders

Name (Note 1)	Shareholding Held in Person		Shareholding Held by Spouse & Minor Children		Shareholding Held in the Name of Others		Shareholder Being a Related Party, Spouse or Relative within the Second Degree of Kinship of Another (Note 3)		Remark
	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Name (Name)	Relationship	
Ministry of Economic Affairs	77,768,272	38.88%	—	—	—	—	—	—	
Representative of Ministry of Economic Affairs: TBD (To Be Determined)	—	—	—	—	—	—	—	—	
Representative of Ministry of Economic Affairs: Liu, Ya-Chuan	—	—	—	—	—	—	—	—	
Representative of Ministry of Economic Affairs: Liao, Hsien-Kuei	—	—	—	—	—	—	—	—	
Representative of Ministry of Economic Affairs: CHU, WEI-YI	—	—	—	—	—	—	—	—	
Tungwei Construction: Chao, Kuo-Hsiang	9,998,000	4.99%	—	—	—	—	—	—	
CTBC Bank as Custodian of Taiyen Biotech Co., Ltd.'s Employee Stock Ownership Account	6,534,592	3.27%	—	—	—	—	—	—	
Hua Nan Commercial Bank, Ltd. Zhang Yun-peng	2,609,000	1.30%	—	—	—	—	—	—	
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the SPDR Portfolio Emerging Markets ETF	2,210,500	1.11%	—	—	—	—	—	—	

Investment Account to which the SPDR(R) Index Share Fund belongs.									
International Bills Finance Corporation: WEI, CHI-LIN	2,116,000	1.06%	—	—	—	—	—	—	
Standard Chartered as Custodian of KGI Asia Limited	2,028,041	1.01%	—	—	—	—	—	—	
Global Cargo Organization & Company Ltd.: Yi, Cha-Wen	1,966,000	0.98%	—	—	—	—	—	—	
JPMorgan Chase Bank, N.A., Taipei Branch has been entrusted with the custody of an investment account consisting of a series of funds (the Advanced Total International Equity Index Fund) under the umbrella of Advanced Starlight Funds, Inc.	1,462,580	0.73%	—	—	—	—	—	—	
Ming Xuan Company Ltd.: Chen, Tai-Feng	1,400,000	0.70%	—	—	—	—	—	—	

Note 1: All top 10 shareholders should be listed. In case of institutional shareholders, indicate the name of the institutional shareholder and its representative respectively.

Note 2: Shareholding (%) is calculated by shareholding held in person, shareholding held by spouse and minor children, and shareholding held in the name of others.

Note 3: The relationship among top 10 shareholders consisting of judicial persons and natural persons should be disclosed in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

IX. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: Share, %

Reinvestment (Note)	Investment by the Company	Investment by Directors, Supervisors, Managerial Officers, and Directly or Indirectly Controlled Businesses	Total Ownership

	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)	Number of Shares	Shareholding ratio
Taiyen Biotech (Samoa) Co., Ltd.	1,600,000	100%	—	—	1,600,000	100%
Taiyen Green Energy Co., Ltd.	24,741,970	66.75%	—	—	24,741,970	66.75%

Note: Investment using the equity method.

Chapter IV. Information on Capital Raising Activities

I. Capital and Shares

(I) Source of Capital

2024.04.23

Unit: Thousand shares, NT$1,000

Date	Issue Price	Authorized Capital		Paid-in Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Source of Capital	Property other than cash to be set off against share capital	Others
July, 1995	10	4,039,198	40,391,980	4,039,198	40,391,980	—	NT$39,411,324 through net equity of Taiwan Salt Works (TSW)	N/A
June, 1998	10	4,039,289	40,392,890	4,039,289	40,392,892	—	Capital increase by NT$912 through land payment	Note 1
June, 1998	10	2,948,263	29,482,626	2,948,263	29,482,628	Capital reduction 10,910,264	—	Note 2
June, 1998	10	5,000,000	50,000,000	2,306,699	23,066,997	—	Capital reduction by NT$6,415,631 through fixed assets	Note 2
October, 2002	10	800,000	8,000,000	2,799,620	27,996,201	—	Capital increase by NT$4,929,204 through premium on capital stock	Note 3
October, 2002	10	800,000	8,000,000	250,000	2,500,000	—	Capital reduction by NT$25,496,201 through land and fixed assets	Note 3
July 2004	10	800,000	8,000,000	264,474	2,644,737	Capital increase by NT$144,737 through earnings		Note 4
June, 2005	10	800,000	8,000,000	278,096	2,780,955	Capital increase by NT$136,218 through earnings		Note 5
December, 2013	10	800,000	8,000,000	200,000	2,000,000	Capital reduction by NT$780,955		Note 6

Note 1: Approved in the Executive Yuan Letter Tai-1996-Xiao-Shou-Er-Zi No. 10836.
Note 2: Approved in the Executive Yuan Letter Tai-1997-Zhong-Shou-San-Zi No. 02342.
Note 3: Approved in the Executive Yuan Letter Tai-Jing-Zi No. 0910051321.

Note 4: Approved in the Securities and Futures Bureau Letter Tai-Cai-Zheng-Yi-Zi No. 0930126344.
Note 5: Approved in the Financial Supervisory Commission Letter Jin-Guang-Zheng-Yi-Zi No. 0940126030 dated June 29, 2005.
Note 6: Approved in the Financial Supervisory Commission Letter Jin-Guang-Zheng-Fa-Zi No. 1020041362 dated October 24, 2013.

2024.04.23 Unit: Share

Type of Share	Authorized Capital			Remark
	Issued Shares (Note)	Unissued Shares	Total	
Common Share	200,000,000	600,000,000	800,000,000	Listed in November 2003

Note: Indicate whether the stock is listed on the TWSE or TPEx (or is restricted from trading).

A summary of information about the reporting system: N/A.

(II) Shareholder Structure

Base Date: 2024.06.21

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Institutions	Foreign Institutions and Individuals	Individuals	Treasury Stock	Total
Number of People	1	8	225	115	61,871	0	62,220
Number of Shares Held	77,768,272	12,750,865	17,233,747	14,703,502	77,543,614	0	200,000,000
Shareholding Ratio（%）	38.88%	6.38%	8.62%	7.35%	38.77%	0.00%	100.00%

Note: Primary TWSE/TPEx listed companies should disclose the shareholding percentage of Chinese investments; Chinese investments refers to people, corporations, organizations, or other institutions in the Mainland area or their investments in third areas set forth in Article 3 of the Regulations Governing Investment Permit to the People of the Mainland Area.

(III) Diffusion of Ownership

1. Common stock (NT$10/share)

Shareholding by class	Number of shareholders	Number of Shares Held	Shareholding Ratio（%）
1~999	44,831	2,392,381	1.20%
1,000~5,000	14,682	27,390,517	13.70%
5,001~10,000	1,599	12,642,649	6.32%
10,001~15,000	383	4,888,324	2.44%
15,001~20,000	221	4,114,055	2.06%
20,001~30,000	194	4,943,036	2.47%
30,001~40,000	78	2,774,635	1.39%
40,001~50,000	53	2,457,425	1.23%
50,001~100,000	86	6,255,687	3.13%
100,001~200,000	45	6,232,205	3.12%
200,001~400,000	23	6,098,697	3.05%
400,001~600,000	5	2,325,004	1.16%
600,001~800,000	5	3,567,127	1.78%
800,001~1,000,000	1	899,000	0.45%
1,000,001 or above	14	113,019,258	56.50%
Total	62,220	200,000,000	100.00%

2. Preferred stock (NT$10/share)

2024.04.23

Shareholding by class	Number of shareholders	Number of Shares Held	Shareholding ratio
Class of Shareholding	—	—	—
Total	—	—	—

(IV) Major Shareholders

2024.04.23

Names of substantial shareholders \ Share	Number of Shares	Shareholding (%)
Ministry of Economic Affairs	77,768,272	38.88%
Tungwei Construction: Chao, Kuo-Hsiang	9,998,000	4.99%
CTBC Bank as Custodian of Taiyen Biotech Co., Ltd.'s Employee Stock Ownership Account	6,534,592	3.27%
Hua Nan Commercial Bank, Ltd. Zhang Yun-peng	2,609,000	1.30%
The business department of Standard Chartered International Commercial Bank is entrusted with the custody of the SPDR Portfolio Emerging Markets ETF Investment Account to which the SPDR(R) Index Share Fund belongs.	2,210,500	1.11%
International Bills Finance Corporation: WEI, CHI-LIN	2,116,000	1.06%
Standard Chartered as Custodian of KGI Asia Limited	2,028,041	1.01%
Global Cargo Organization & Company Ltd.: Yi, Cha-Wen	1,966,000	0.98%
JPMorgan Chase Bank, N.A., Taipei Branch has been entrusted with the custody of an investment account consisting of a series of funds (the Advanced Total International Equity Index Fund) under the umbrella of Advanced Starlight Funds, Inc.	1,462,580	0.73%
Ming Xuan Company Ltd.: Chen, Tai-Feng	1,400,000	0.70%

Note: Major shareholders are shareholders with a stake of 5% or more or top 10 shareholders.

(V) Market Price, Net Worth, Earnings, and Dividend per Share and Related Information for the Most Recent Two Years

Unit: NT$/share

Item \ Year			2022	2023	As of March 31, 2024 (Note 8)
Market Price per Share (Note 1)	Highest		35.50	40.50	34.70
	Lowest		29.80	32.05	33.60
	Average		32.99	33.80	34.13
Net Worth per share (Note 2)	Before distribution		32.61	32.46	32.98
	After distribution		31.11	32.46	32.98
Earnings per share (Note 3)	Weighted average number of shares		200,000,000	200,000,000	200,000,000
	Earnings per share	Before adjustment	2.13	1.50	0.52
		Adjusted	2.13	1.50	0.52
Dividend per Share	Cash (Note 4)		1.50	1.20	—
	Stock	Appropriated from earnings	—	—	—

		Appropriated from capital reserve	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Return on Investment	Price-to-earnings ratio (Note 5)		15.49	22.53	—
	Price-to-dividend ratio (Note 6)		21.99	28.17	—
	Cash dividend yield (Note 7)		0.05	0.04	—

P.S. If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: Set forth the highest and lowest market prices per common share for each year, and calculate each year's average market price based upon that year's transaction value and transaction volume.

Note 2: Use the number of issued shares at year end and the resolution in the shareholders' meeting of the following year as the basis.

Note 3: If retrospective adjustment is required due to circumstances such as the distribution of stock dividends, indicate the earnings per share before and after adjustment.

Note 4: If there is any accumulated unpaid dividend that can be distributed in a profitable year according to the conditions for the issuance of equity securities, disclose the accumulated unpaid amount as of the year.

Note 5: Price-to-earnings ratio = Average closing price per share for the year / Earnings per share.

Note 6: Price-to-dividend ratio = Average closing price per share for the year / Cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share / Average closing price per share for the year.

Note 8: For net worth per share and earnings per share, disclose the information audited (reviewed) by the CPAs for the most recent quarter as of the date of publication of the Annual Report; for other fields, disclose the information for the year as of the date of publication of the Annual Report.

(VI) Dividend Policy Specified in Articles of Incorporation and Distribution of Dividends Resolved in the Shareholders' Meeting (Explain Any Significant Change in the Dividend Policy)

1. Dividend policy:

   Paragraph 2, Article 35 of the Articles of Incorporation

   If the Company makes a profit in a year, it shall pay taxes and make up for the accumulated losses first, and set aside 10% of the remaining amount as legal reserve unless the legal reserve has reached the total capital; then, the Company may set aside or reverse special reserve according to the business needs or statutory requirements; after the dividends are distributed, the shareholders' meeting shall decide whether to distribute bonuses to shareholders using the surplus, if any, For the distribution of dividends to shareholders, more than 10% of the accumulated undistributed earnings may be set aside additionally, and cash dividends shall not be less than 50%.

   The Board of Directors shall propose the distribution of dividends to shareholders in the shareholders’ meeting on a yearly basis. The dividends to shareholders for 2023 are estimated at 43% of the earnings available for distribution.

2. Distribution of dividends proposed in the shareholders' meeting:

The distribution of the Company's earnings in 2023 was approved at the 14th Board Meeting for the 13th term. A cash dividend of NT$1.2 per share totaling NT$240,000,000 is proposed to be distributed.

3. Future significant change in the dividend policy: None.

(VII) Effect of Any Proposed Distribution of Stock Dividends on Business Performance and Earnings per Share

<table>
<tr><td colspan="3">Year
Item</td><td>2024 (Estimate)</td></tr>
<tr><td colspan="3">Paid-in Capital, Beginning of Year</td><td>NT$ 2,000,000,000</td></tr>
<tr><td rowspan="4">Cash/Stock Dividend</td><td colspan="2">Cash dividend per share</td><td>NT$ 1.2</td></tr>
<tr><td colspan="2">Stock dividend per share through earnings</td><td>—</td></tr>
<tr><td colspan="2">Cash dividend per share through capital reserve</td><td>—</td></tr>
<tr><td colspan="2">Stock dividend per share through capital reserve</td><td>—</td></tr>
<tr><td rowspan="7">Change in Business Performance</td><td colspan="2">Operating income</td><td rowspan="13">(Note)</td></tr>
<tr><td colspan="2">Increase/decrease in operating income YoY (%)</td></tr>
<tr><td colspan="2">Net profit after tax</td></tr>
<tr><td colspan="2">Increase/decrease in net income YoY (%)</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Increase/decrease in earnings per share YoY (%)</td></tr>
<tr><td colspan="2">Annual average return on investment (reciprocal of annual average price-to-earnings ratio)</td></tr>
<tr><td rowspan="6">Pro forma earnings per share & price-to-earnings ratio</td><td rowspan="2">Capital increase through earnings - cash dividend only</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
<tr><td rowspan="2">No capital increase through capital reserve</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
<tr><td rowspan="2">No capital increase through capital reserve & capital increase through earnings - cash dividend only</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma annual average return on investment</td></tr>
</table>

Note: The Company has not disclosed a complete version of its financial forecast for 2024, so there is no need to disclose estimated information for 2024.

(VIII) Remuneration Paid to Employees and Directors and Supervisors

1. Percentage or range of remuneration paid to employees and directors and supervisors under the Articles of Incorporation

If the company makes a profit in a specific year, it should allocate 2.25% to 3.75% as employee remuneration and no more than 1.5% as directors' remuneration, and distribute it equally to the end of the year. Current directors (excluding independent directors). If the Company has accumulated losses, it shall reserve the amount for compensation. The distribution of remuneration paid to employees and directors and supervisors shall be adopted by a resolution by a majority voting of the directors present at the Board meeting attended by two-thirds of the directors and reported in the shareholders' meeting.

2. The estimation basis for the estimated remuneration amount of employees, directors and supervisors in the current period, the basis for calculating the number of shares for employee remuneration based on stock distribution, and the accounting treatment method when the actual distribution amount is different from the estimated amount:
   (1) Basis for estimating the amount of remuneration paid to employees and directors (excluding independent directors) and supervisors:
   Refer to the Articles of Incorporation.
   (2) Basis for calculating the number of shares to be distributed as employee remuneration:
   No stock dividends are to be distributed for the year.
   (3) Accounting treatment if the actual amounts subsequently paid differ from the estimated amounts:
   The differences will be recorded in the year paid as a change in accounting estimate.

3. Remuneration distribution approved by the Board of Directors：
   (1) The Board of Directors adopted the proposed distribution of NT$14,000,241 to employees and NT$5,608,792 to directors (excluding independent directors) in cash for 2023.
   (2) The difference between the above-mentioned proposed allotment amount and the amount of employee compensation and directors (excluding independent directors) compensation of NT$22,827 thousand in the year in which expenses are recognized is a decrease of NT$3,218 thousand .
   Reason for the difference:
   Based on the proposal of the Remuneration Committee and approved by the Board of Directors.
   The treatment of the difference in amount:
   The differences have been adjusted in 2024 based on changes in accounting estimates.
   (3) The proposed distribution of stock dividends to employees as approved by the Board of Directors and its proportion to the sum of net income and cash dividends to employees for the year: None.
   (4) Earnings per share after considering the proposed distribution of remuneration to employees and directors (excluding independent directors):
   Refer to the major accounting items (earnings per share) in the financial statements.
4. Actual distribution of remuneration to employees and directors for the previous year (including number of shares, amount, and share price), and the amount, cause, and treatment of discrepancy with the estimate.
   (1) The proposed cash distribution of NT$20,908,036 as remuneration to employees and NT$8,363,214 as remuneration to directors (excluding independent directors) for 2022 was adopted by the Board of Directors on March 10 2023 and reported at the shareholders' meeting on June 19 2023
   (2) Any discrepancy with the recognized distribution of remuneration to employees and directors (excluding independent directors) reason thereof, and treatment: The distributed and recognized amounts of remuneration to employees and directors (excluding independent directors) were the same, totaling NT$29,271 thousand.

Cause for discrepancy: None.
Accounting treatment of discrepancy: None.

(IX) Repurchase of the Company's Shares:

N/A.

II. Corporate Bonds

N/A.

III. Preferred Shares

N/A.

IV. Global Depository Shares

N/A.

V. Global Depository Shares

N/A.

VI. New Restricted Employee Shares

N/A.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies

N/A.

VIII. Implementation of Capital Allocation Plans

As of the quarter preceding the printing date of the annual report, the previous issuances or private placements of securities that have not been completed, or have been completed within the last three years and the benefits of the plans have not yet been realised: N/A.

Chapter V. Overview of Operations

I. Description of Business

(I) Scope of Business

1. The scope of business is as follows:

1. C109010 Manufacture of Seasoning.
2. C110010 Beverage Manufacturing.
3. C199990 Manufacture of Other Food Products Not Elsewhere Classified.
4. F203010 Retail sale of Food Products and Groceries.
5. C801010 Basic Industrial Chemical Manufacturing.
6. C802100 Cosmetics Manufacturing.
7. F208040 Retail Sale of Cosmetics.
8. C802090 Cleaning Products Manufacturing.
9. F207030 Retail Sale of Cleaning Supplies.
10. CF01011 Medical Devices Manufacturing.
11. F108031 Wholesale of Medical Devices.
12. F208031 Retail sale of Medical Equipment.
13. C802041 Drugs and Medicines Manufacturing.
14. F108021 Wholesale of Western Pharmaceutical.
15. F208021 Retail Sale of Western Pharmaceutical.
16. C201010 Feed Manufacturing.
17. F401010 International Trade.
18. I199990 Other Consulting Service.
19. J701020 Amusement Parks.
20. F501060 Restaurants.
21. G202010 Parking area Operators.
22. F212011 Gasoline Stations.
23. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Major Lines and Weight of Business

Unit: NT$ thousands; %

Major Line of Business	Weight of Business	
	Amount	%
Salt	1,575,400	46
Bottled Water	1,061,082	31
Cosmetics	136,240	4
Cleaning Products	161,245	5
Health Food	177,104	5
Engineering and service income	224,710	7
Others	73,030	2
Total	3,408,811	100

Note: Other products include commodities, leisure products, income from electricity sales, etc.

3. New products (services) planned and developed

(1) Key raw materials (materials)

A. The company uses existing collagen to develop a unique sub-micron collagen-coated carrier, which is proven to be absorbed through the skin. The company also develops novel blemish raw materials and has developed the industry's first sub-micron-coated shrimp red Vegetable essence emulsion, micro droplets, coated drops.

B. In order to adapt to environmental changes and market demand, the company develops health care materials that strengthen defense functions, and focuses on developing gastric acid-resistant coated probiotic raw materials.

C. We continue improving the new-generation dental materials.

D. The company expands its research and development capabilities on natural products and develops natural black hair complex extracts that can increase the production rate of melanin, as well as natural high-UV light-absorbing complex extracts that can be used in sunscreen lotions, as well as broad-spectrum extracts that do not contain legal preservatives. Natural antibacterial complex extract.

(2) Cleaning products and cosmetics

In line with the needs of target consumer groups and market trends, the company's development projects are as follows:

A. Beauty and skin care products: The company launched LUMIEL "Golden Bullet 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 6 new products, "Brightening Essence" and "Brightening Eye Cream".

B. Cleaning products: Under the global trend of naturalness, environmental protection, and harmony with the earth, the company has obtained environmental protection labels for two products, "Salt Ease Environmentally Friendly Laundry Detergent" and "Salt Ease Environmentally Friendly Dishwashing Detergent". In addition, for oral care and cleaning products, four bath salts were launched, including "Salty and Refreshing Mouthwash" and "Himalayan Hand-Harvested Rose Mineral Bath Salt".

(3) Health food

The following products are to be developed based on market trends and consumers' needs:

"Vitality Complex Calcium Powder", "Good Muscle Strength EX Strength Advantage Protein", "Yeast B Group Capsule", "Collagen Powder Miracle Brightening Edition", "Muscle Strengthening Multi-Peptide Premium Protein" and "Perfect Energy." Seven new products, including "Extreme Pectin", are on the market, aiming to enhance the competitiveness of products in the areas of bones, joints, muscle mobility, physical strength maintenance, and youth and beauty care, and to meet the physical health needs of consumers as they return to normal life after the pandemic.

(4) Salt

The company expanded salt applications and product diversity, and conducted preliminary product formula research as follows:

The company developed portable salt supplements, which combine the three core materials of the Company's salt, concentrated seawater minerals, and non-denatured type II collagen, to produce diversified applications. Related products can meet the needs of sports groups and labor workers to replenish electrolytes lost through sweat, to prevent heat stroke, and also have a light health care effect of improving endurance.

(II) Industry Overview

1. Current state and development

(1) Salt

Salt is a daily necessity. Nearly 100 countries around the world produce salt. The production equipment has evolved from sunlight to advanced evaporation equipment. Salt production in North America accounts for more than a quarter of the world's production. The producing countries in the Americas include the United States, Canada, Mexico, and Brazil; Europe is also the main salt producing area, where Germany, France, and the United Kingdom are the main producing countries. Main producing countries in other regions are China, India, and Australia.

In early days, salt was produced using sunlight in Taiwan. Due to the high cost of sun-dried salt, the Company closed all salt-dried salt fields in 2002, putting an end to solar salt production. Officially established in 1975, the Tung-Hsiao Electrodialysis Refined Salt Factory used ion exchange membrane electrodialysis to produce salt. From raw materials to finished products, the entire production process is automated without manual operation, making it the world's advanced process for food-grade salt in terms of quality, health, and safety. A variety of food-grade salt products produced here contribute to most of the food-grade salt market in Taiwan.

In the past, the domestic salt industry was directly managed by the government. As a state-owned business, the Company was also regulated by the "Salt Management Regulations." The Company managed the food-grade salt market in Taiwan. With the privatization of the Company on November 14, 2003 and the abolition of the "Salt Management Regulations" on January 20, 2004, our products have been widely trusted and received by domestic consumers.

(2) Bottled water

In recent years, the packaged drinking water market has grown year by year. According to market statistical research, it is estimated that the domestic packaged water market sales in 2020 will exceed NT$ 1 billion (approximately NT$ 10.9 billion).

For bottled water, we use 1.2-meter-diameter HDPE pipelines that draw clean seawater 1,580 meters away from the coast and 12 meters deep, filter clean seawater through a sand filter bed, and isolate it from heavy metals, surfactants, dioxin, pesticides, and other harmful substances using Japanese advanced ion exchange membrane electrodialysis to obtain concentrated brine. Then, concentrated brine undergoes a strict purification process, including high temperature evaporation and condensation, micron filtration, RO purification, ultraviolet sterilization, and 0.2μm filtration, to produce quality water. After inspection and analysis, the water quality meets the drinking water source water quality standards issued by the Ministry of Environment of the Executive Yuan, and has passed TQF certification, ISO 9001:2015 quality management system verification, ISO 22000:2018 food safety management system verification, product halal certification, and Hygiene and safety management system verification for food operators. The company uses differentiated water quality to continue to develop high-quality and health-related packaged drinking water to supply sales demand. Since its launch, the sales volume of this product has increased from more than 6,000 tons per year to more than 80,000 tons per year and has been widely praised. The Company's existing packaged drinking water mainly includes marine generated water, Taiyen marine pure water and marine alkaline ionized water. Three types. Marine generated water and marine pure water come from the ocean and become the purest cooked water through special processes. The competitive products in its target market are generally commercially available mineral water and pure water. Marine alkaline ionized water is produced through a special process and is functional water that can adjust your body constitution. From 2020 to 2022, it won the first place in the alkaline packaged water (mineral water) category of CommonHealth magazine's "Readers' Choice Trusted Brand" for three consecutive years. It has also won the first prize for packaged water in the "Healthy Brand" beverage category for three consecutive years (2020-2022). In terms of international awards, the company's alkaline ionized water won the 3-star gold medal, the highest honor of the "International Flavor Evaluation (ITI)" in 2018 and 2023. From 2014 to 2023, the company won the "MONDE SELECTION European International Quality Evaluation Organization (MONDE SELECTION)" for seven consecutive years.)" Gold Medal. In addition, the company also won the highest quality medal of the "European International Quality Evaluation Organization (MONDE SELECTION)", and its superior quality has been recognized internationally.

According to Nielsen statistics, our alkaline ion water has consistently ranked first in the bottled water market for many years. The competition in the domestic bottled water market is quite intense as many new products are launched every year. The Company will take consumer health as the top priority and adjust our marketing strategy in a timely manner to keep leading and growing in the bottled water market with patents.

(3) Cosmetics (skin care products and cleaning products)

In the first half of 2022, the COVID-19 pandemic continued to have an impact, increasing social distance and changing consumers' shopping patterns. However, in the second half of the year, the economic boom gradually recovered. Although the consumer market for people's livelihood is still strong, the demand for personal care products has not recovered strongly. Strength. As skin care products are trending towards fast moving consumer goods, the Company continues to bring new news to consumers such as making small changes in packages or dosage forms, as an incentive to buy. While maintaining the core technologies and effects of our products, we market by telling compelling stories to attract consumers to buy.

According to the Executive Yuan's "Price Information Bulletin Platform", the main raw materials for cleaning products include palm oil, surfactants, and packaging materials including cartons, PE molds, etc., and the prices of raw materials have been rising. Product development is subject to considerable cost pressure. In addition to absorbing part of the cost to maintain sales of on-shelf products, the company has planned to strengthen single products with high functionality to cope with market competition. In addition, the company also plans to reduce packaging materials or use environmentally friendly products packaging materials to achieve the goal of energy saving, carbon saving, green and environmental protection.

According to a Statista survey, Taiwan's beauty market revenue is increasing year by year, with total revenue reaching US$188.9 billion in 2023, with an average annual growth rate of nearly 10%. The prospects for the future are still optimistic. In addition, KOL Radar statistics from the three major social platforms of Facebook, Instagram, and YouTube show that compared with the same period last year, the browsing rate of skin care products increased by 33.5% from January to May 2023, and the browsing rate of makeup products increased by 28.3%, reflecting that after the lockdown was lifted, the market demand for beauty information has increased. Looking at community discussions, "maintenance" is still the most important beauty keyword, followed by moisturizing and ingredient formula. It can be seen that issues such as whether the product is natural and beneficial to health are of deep concern to consumers. Another important point is the convenience of use. Due to the inconvenience of going out during COVID-19 and the lack of services in beauty centers, consumers began to read the usage instructions on their own to use skin care products. The convenience of product use has become a focus. Exercise, sun protection, etc. have also become the focus of social discussions. The issue of sustainable packaging of beauty products continues to gain attention. Plastic reduction, recycling, refillable packaging, and how to reduce the environmental burden of carbon emissions from production to post-use recycling, have all received attention. Lipstick refill packaging has emerged in recent years, and YSL Beauty actively experimented with the design concept of "cream refill capsules" three years ago. Brands such as Kiehl’s and Kose have also begun to use 100% recycled materials, and use soft packaging materials to make replacement refill packs, which not only reduces plastic, but also reduces packaging costs.

(4) Health food

In 2022, Taiwan's health food-dietary supplement market size was approximately 98.5 billion, with a growth rate of 7.5%.

From consumption surveys, market atmosphere, and manufacturer surveys, it can be projected that in 2023, the overall market for health and nutritional foods maintained its growth trend. However, in the face of the environmental pressure of global inflation, costs will be increased, and consumption power will be weakened, which will reduce growth.

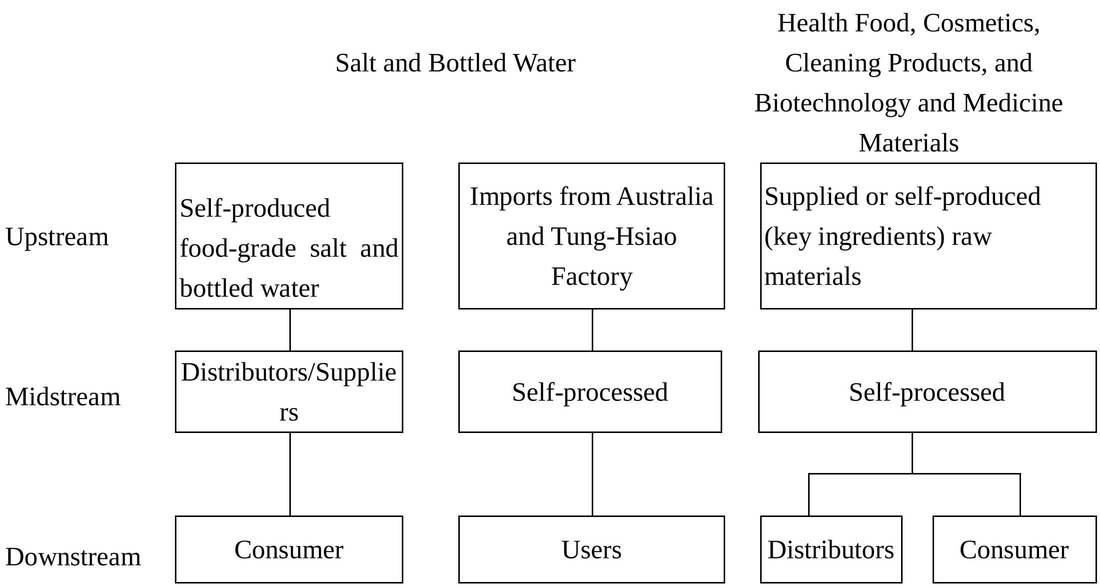
The future development priorities and trends of health food include: (1) The demand for health nutrition continues to increase, (2) the supply chain and operational resilience need to be strengthened, (3) the expansion and sales of overseas markets still have potential, (4) precision medicine meets the needs of personal health needs will be imaginative.

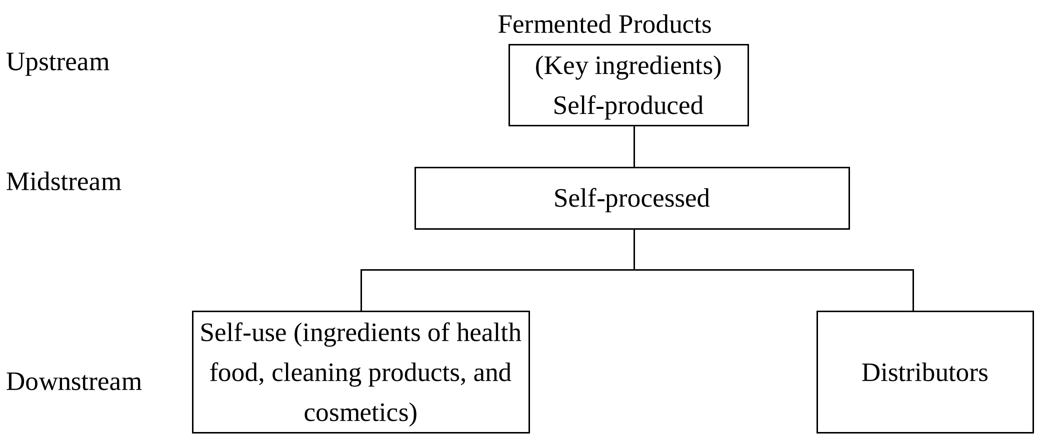
In 2023, data from the Health Food Industry Database showed that the top 20 healthcare demands from Internet users were gastrointestinal function, eye protection, aging delay, anti-fatigue, and blood lipid regulation. However, after deducting the online buzz generated by the brand's campaign text, it can be seen that the demand for gastrointestinal function improvement and eye care function still rank among the top five, indicating that these two items are highly valued by consumers. In addition, "sleep aid function" ranked first and "less likely to form body fat" ranked second, and are potentially popular demands.

The company further conducted a questionnaire survey to understand the needs of people of different age groups for the top 20 functions. We found that the top five health functions that people who consume health food care most about are: eye protection, anti-fatigue, immune mediation, Bone health care and gastrointestinal improvement. The need for bone health care generally

occurs among consumers aged forty years or above.
The source of health food information for consumers: Actual recommendations from relatives and friends are still an important source and channel for consumers to obtain health food information, but in terms of age group, it was found that consumers aged 39 or under will refer to forums/community recommendations. Consumers aged 29 or under are also more likely to refer to forums/community recommendations, such as blogs and KOLs.
The research institute combined public opinion data, public opinion profile labeling, and questionnaire surveys to gain insights into the latest consumer trends, and summarizes the following five suggestions for the vast health food market: (1) Master key groups (2) Expand communication contact points (3) Respond to demand trends (4) gain insight into purchasing motivations (5) create usage scenarios.

2. Links between upstream, midstream, and downstream segments





3. Development trends of products

(1) Salt and bottled water

Salt is an indispensable daily necessity and raw material for agriculture, industry, and fishery. As a standard of living improves, quality, healthy and diversified salt products are being developed. Iodine is a trace element necessary for humans and various organisms. According to the World Health Organization (WHO), "iodine deficiency" will lead to low intelligence, which has a direct impact on children's learning ability, poor women's health, and lower quality of life and production. Governments of all countries are called on to eliminate iodine deficiency. The simplest and most effective way to solve this problem is to add iodine to table salt. On the contrary, if a large amount of iodine is taken in after iodine deficiency, hyperthyroidism will increase. Fortunately, the Company has been supplying salt for people's daily needs for a long time, providing various types of iodized salt (Taiyen high-grade iodized salt, Taiyen special grade iodized salt, iodized Taiwan sea salt, iodized sea salt, reduced sodium iodized salt, delicious iodized salt, fluoride iodized salt), and non-iodized salt (Taiyen high-grade refined salt (not iodized), non-iodized salt, original cooking sea salt, natural fresh cooking sea salt, Mediterranean ecological sea salt, Mediterranean top flake salt, Himalayan hand-picked rose salt, Australian sun-dried natural sea salt) for consumers to choose. Salt was opened for free import and export in 2004, and a variety of well salt, rock salt, and sea salt products imported from abroad are iodine-free. More and more consumers, restaurants, and food processing companies chose such salt products, which could cause iodine deficiency for some people. To take care of people's health, the Ministry of Health and Welfare amended the regulations governing packaged food nutrition descriptions, stipulating that commercially available iodized salt must contain 20-33ppm iodine. The amendment took effect in July 2017.

Tooth decay among children in Taiwan is serious. In 2011, the number of decayed, missing, and filled permanent teeth (DMFT) of 12-year-old children in 189 countries worldwide was 1.67. In 2013, the DMFT of 12-year-old children in Taiwan was 2.5, far behind the world average; the figures in 2011 also indicated that the rate of 5-year-old children without tooth decay was 20.7% only. To help people prevent tooth decay, the government promoted fluoride salt in July 2016. The World Health Organization (WHO) issued a new dietary guideline in 2013, encouraging adults to embrace a low-sodium and high-potassium diet (except for patients with kidney disease who need to control potassium intake). People should keep the daily sodium intake below 2,000 mg and consume at least 3,510 mg of potassium per day, which is conducive to control over diet-related chronic diseases. Domestic nutritionists agree with this new dietary guideline because a low-sodium, high-potassium diet is actually "DASH" (dietary approaches to stop hypertension) with more whole grains, fruits and vegetables, which can reduce the dosage of hypertension drugs and delay metabolic diseases and chronic diseases such as diabetes. To maintain people’s health, the Company has long been committed to offering a variety of healthy and delicious salt products to consumers with different needs. We will continue to keep abreast of the trends in healthy diet and provide more diverse choices.

In 2022, Taiwan market statistics show that Taiwan's overall seasoning output value is approximately 19.52 billion yuan, 80% of which comes from the domestic market.

Seasonings can be divided into four categories: MSG, soy sauce, edible salt and seasonings.
Other condiments have continued to grow in the past decade, with an average annual sales value of approximately 9.23 billion. With consumer suggestions, natural condiments have become the main appeal of manufacturers. the Company’s original 100% chemical-free freshly selected shiitake mushroom salt koji flavoring and freshly selected bonito salt koji flavoring are more in line with the market’s demand for condiments. In 2020, the Company will successively launch the top-grade black bean salt fermented soy sauce in cooperation with Taiwan's well-known soy sauce manufacturer "Wuan Chuang", and the top-grade rose salt-melted soy sauce in cooperation with "ditdub", and plans to sell them in various supermarkets and mass merchandisers. Natural condiments provide consumers with a delicious and healthy choice in various channels. Due to consumers' concern about plasticizers in the beverage market, the sales of natural and zero-calorie bottled water increased as a result. In Taiwan, the sales volume of bottled water has been good and continued to grow from 2012 to 2015, and hit a relatively high in 2016. As growth slowed down between 2017 and 2022, the penetration rate has hit record highs in recent years. It shows that food safety has become the major public concern. In the future, safe, healthy, and transparent products will remain an attraction for consumers. Despite the COVID-19 pandemic, the sales of bottled water continued to grow steadily in 2022, showing that safety, health, and transparency in product declarations are still the basis for attracting consumers to buy.

(2) Cosmetics (skin care products and cleaning products)

According to Statista data, the beauty industry created an output value of approximately US$93 billion in 2022. Although the market value of the global beauty industry showed a downward trend from 2019 to 2020 due to the impact of the pandemic, the beauty market has recovered steadily since 2021. Global revenue is expected to continue to grow at a CAGR of approximately 6% until it reaches approximately 1,254 in 2027 billion, equivalent to an increase of US$32.3 billion (+35%). However, with the outbreak of the pandemic, consumers are turning to natural and sustainable beauty products. Consumers are more cautious in seeking trustworthy products. Therefore, the Asia-Pacific region has become the region with the fastest growth in clean beauty awareness in recent years.
In the post-pandemic era of 2023, in the face of ever-changing pandemics and frequent extreme weather events, society's attention to sustainability issues continues to rise. According to CMRI's "2023 Midea Sustainability Awareness and Purchasing Image Survey Report", when consumers purchase beauty products, whether "beauty brands" have taken "sustainable actions" is increasingly important to consumers. Nearly 90% of consumers said that they would at some point purchase beauty and skin care products with sustainable appeal. In addition, Euromonitor International's report "From Sustainability to Beauty Purposes" points out that "sustainable development strategies are no longer just the preserve of niche companies." Multinational corporations have introduced a variety of new sustainability measures. For example: L'Oreal is testing environmentally friendly alternatives to plastic; Estee Lauder is committed to creating a more sustainable supply chain; and Procter & Gamble is trying filling innovations. The report points out that the sustainable development trend has expanded to include social responsibility,

which covers animal cruelty, fairness, and justice, plus wider issues of trade and human rights.

In terms of personal cleaning products market trends, as people pay more and more attention to individuality and uniqueness, many personalized cleaning products will appear in the next three years. These supplies can be customized to suit individual preferences and needs, making cleaning more fun and comfortable. In terms of oral care products, toothpaste mainly solves common problems, such as anti-foul mouth, whitening, anti-allergy, etc. The company's recent development has shifted from teeth and interdental cleaning to oral antibacterial protection, providing consumers with a more complete oral health care concept. In addition, oral care products are increasingly focusing on maintaining gum health and oral ecological balance. In the future, based on the specific needs of different consumer groups, the refinement, diversification, and specialization of oral care will become the main development trend.

In response to trend development, the Company will focus on aspects such as "minimalist care", "sustainable concept" and "oral care" to create brand value and be closer to market trends.

(3) Health food

The global ecological environment for health care and nutrition is changing rapidly. Faced with an aging society, low birth rates, and an increase in chronic diseases and obesity, consumers are paying more attention to physical, mental, and spiritual health care. According to a survey by the Food Institute's ITIS team, more than 40% of Taiwan's manufacturers are involved in upstream raw material and material end operations. 70% of the manufacturers are engaged in the production or OEM of related finished products, and 60% of the manufacturers have strengthened their channel layout through their own websites or e-commerce platforms. In 2022, the output value of Taiwan's health food market was 170.3 billion yuan (a growth of 5.9%), dietary supplements grew by 7.6%, and traditional food types grew by 3.6%. The overall growth rate in 2023 is estimated to be approximately 6%.

The aging of society has led to a rise in health awareness, which has led to the continued growth of the health care industry. The outbreak of the pandemic has further strengthened the demand for health care products among people of all ages. In 2023, various regions gradually lifted pandemic prevention and control. As people returned to normal life, consumer demand for health care products has gradually slowed down. According to KANTAR, a market trend research institution, Taiwan's health food market saw a push back of year-on-year sales by 21% in the first quarter of 2023 compared. Compared with the fourth quarter of 2022, one-year sales growth is 46%, but it is still better than before the outbreak.

The Kantar survey report points out that coexisting with change has become a daily routine. How to seize opportunities is a must-test for brands. Although the general environment is facing business challenges brought about by inflation and demographic changes, consumption power is still stable. Coupled with the accelerating maturity of digital information applications and consumption environment, there are still unlimited business opportunities. According to statistics from 2020 to 2021, the annual growth rates of blood lipid-lowering, beauty and anti-aging, sleep, and gastrointestinal products all exceeded 30%, showing segmentation and specialization. Precision medicine and corresponding personalized nutritional supplements that make consumers feel more valued will be more favored by consumers. With the changes in social economy and household composition, individual needs are being paid more attention to. In terms of consumption, the specifications and functions of rational factors are still important, but perceptual factors quietly affect decision-making, and the ratio of importance to rational factors is close to 1:1. The perceptual factor is not just about the atmosphere, but the ability to empathize with consumers' life pain points, create desirable situations, help them be lazy, and even predict needs, and integrate thoughtfulness into products/services. Brands must provide more considerate and delicate choices in order to create new opportunities.

In 2022, the Food Industry Yearbook also pointed out that under the background of advanced age and low birth rate, the demand for nutritional care and health continues to increase and is widely oriented. For example, the elderly prefer products such as intestinal health care, musculoskeletal strengthening, and anti-aging, which are obviously healthy. Expectations continue to grow. The target customer groups have different pursuits of health. As life changes, some consumers prefer to exercise at home, or even watch TV dramas or play games at home, compared to outdoor activities. Their concerns and needs for health care and nutrition are completely different. The report "International Food Development Trends and Cases for Seniors" published by the Food Industry Development Research Institute, mentioned that with the arrival of an aging society, food for the elderly will also be the focus of the trend in the future. Lowering blood lipids, beauty and anti-aging, sleep, gastrointestinal tract, immune ingredients, and their application to aging products will be another focus of development in the future.

4. Competition

As for salt, the Salt Ordinance was repealed in January 2004, allowing salt products to operate freely and compete. Salt products can be freely operated and competed. Salt products from mainland China, Thailand, India, Australia, Mexico, the United States, Israel, the United Kingdom, France, Austria, Denmark, New Zealand and other countries have already entered Taiwan to seize market share. On the part of skin care products, cleaning products and cosmetics are perfect competition in Taiwan with various brands; in addition, international companies leverage their rich marketing experience and first-mover brands to dominate the domestic market. The competition is quite intense.

(III)Overview of Technologies and Research and Development Works

1. Research and development expenditures in 2023 and as of March 31, 2024:

Unit: NT$ thousands

Year / Item	2023	As of March 31, 2024
Research and Development Expenditures	60,495	11,455

2. Successful technologies or products developed in 2023 and up to the date of publication of the annual report:

Year	Product Development and Technological Improvement
2023	I. Product Innovation 1. Cosmetics and cleaning products (1) Beauty care products: The Company launched LUMIEL "Gold Elasticity Moisture Light Sunscreen SPF50+ ★★★★★". In the MÉDECURA medical beauty series, the products included "Radiance Nourishing Hydrogel Essence SPF50 ★★★★", "24K Gold Diamond Peptide Skin Firming Cream" and "Purple Diamond Original Repairing Eye Cream"; and six new products were launched in the Taiyen Beauty series, such as "Brightening Brightening Essence" and "Brightening Eye Cream for Lightening Wrinkles" (2) Cleaning products: The Company has obtained environmental labels for two products, "Salt & Ease Laundry Detergent" and "Salt & Ease Dishwashing Detergent". In addition, for oral care and cleaning products, four bath salts were launched, including "Salty and Refreshing Mouthwash" and "Himalayan Hand-Harvested Rose Mineral Bath Salt". 2. Health food The Company has launched 7 new products, including "Vitality Complex Calcium Powder", "Good Muscle EX Strength Protein", "Yeast B-Complex Capsule", "Collagen Powder Miracle Glow", "Tonic Multi-Peptide Superior Protein", and "Perfect Dynamics Slender Fruit Pectin". 3. Salt: The Company completed the development of preformulation for portable salt supplements and the establishment of salt tablet technology. II. Patent Applications 1. The Company obtained the R.O.C. invention patent for "Plant extracts for use in the preparation of compositions for increasing the melanin content and MITF performance of hair" and three R.O.C. new type patents, including "Container structure containing serum containing isotonic encapsulated droplets", "Droplet structure encapsulated with astaxanthin", and "Drip brewing set of traditional Chinese medicinal herbs". 2. 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". III. Awards 1. 2022-2023 French Cosmetic Award "Victoires de la Beauté": The new product "LUMIEL Extravagant Reverse Skin Whitening Essence Cream", which will be launched soon, won the Top Innovation Award, and it is the only spot whitening product of our company that has been selected. 2. 2023 Monde Selection (European International Quality Assurance Organization Competition): "Taiyen Marine Alkaline Ionized Water" and "Taiyen Small Molecule Marine Water" were awarded Gold. Silver Award for "Luxury Rejuvenating Crystals". "Taiyen Biotech Co., Ltd. was awarded the "Crystal Glory Award" for the 10th consecutive year. 3. 2023 International Taste Index (ITI): "Taiyen Marine Alkaline Ionized Water" and "Taiyen Small Molecule Marine Water" were both awarded 3 stars for excellent taste. 4. 2023 Nutritional Food Innovation Award by Health Food Society of

Year	Product Development and Technological Improvement
	Taiwan: "Sesame E Good Night Capsule" won the Innovation Award.
2024 up to the printing date of the annual report	1. Prepared for the launch of "LUMIEL Luxury Reverse Skin Whitening Serum" and "Taiyen Beauty Series" "Collagen All Purpose Essence Milk". 2. Completed the development and launch of two cleansing products, "SILK Ginger Conditioning Shampoo" and "SILK Ginseng Conditioning Shampoo".

(IV) Long-term and Short-term Business Development Plans

1. Short-term business development plans

(1) Marketing strategy

A. Salt: Obtain stable supply of quality and cheap sun-dried salt from other countries, maintain and leverage the Company's brand value, and control channels of distribution to offer "safe, healthy domestic salt" with competitive prices and services. Currently, high-priced salt remains our key product. The Company plans to increase the sales of high-priced salt through promotions during festivals. To maintain brand loyalty and target consumers' willingness to buy, we will sell healthy and safe salt through channels and digital media.

B. Bottled water: By leveraging our brand equity, we continue to develop customized products to take care of consumers' health. We will also work with leading companies (e.g., Taiwan High Speed Rail) and adjust our marketing strategy in line with the trends to stay ahead in the bottled water market. To maintain brand loyalty, the Company will work with multiple media outlets to emphasize the value and features of our products while developing more channels to increase sales. In addition, the company has used community management to significantly increase consumer awareness of the alkaline ionised water brand. In recent years, the company has proactively strengthened its community management, increasing interaction and communication with community fans, and using the community to bring attention to the topic (Taiwan Salt Water has a supercar) and produce the theme of the 2023 consumer campaign (Dream Amazing, a supercar for you), which has maximised the brand's voice and made it the focus of market attention. Through this creative marketing campaign, as well as online and offline physical and virtual channels, the company was able to expand consumer brand intent and product connectivity, thereby increasing the brand's market share.

C. Biotech products: The company focuses on product optimisation and leverages its core competencies, winning international invention awards. In addition to actively expanding new business, the Company also adjusted its existing product lines, eliminated the weak and saved the strong, and focused on core products for promotion and resource integration, with a view to promoting brand re-engineering and enhancing revenue and profitability.

In terms of environmental sustainability, the company obtained five environmental labels for its personal cleaning products in 2023. The company also has brand partnerships with hotels, and will continue to build its core technological capabilities in favor of sustainability in the future, to ensure that Taiyen continues on its path to sustainability.

The company regularly reviews its brands and products to implement the policy of eliminating the weak and saving the strong. The Company focuses on the commercialization of new research and development technologies to enable toothpaste GMP factories to achieve quality, safety, and top manufacturing capabilities, and integrates the promotions of KOL/KOC cosmetic web celebrities as well as toothpaste IP character design and marketing promotional videos, in order to expand and increase new sources of customers, and to further revitalize the brand's resources.

D. Channel management: The Company has been actively building up the beauty and healthcare expertise of its chain shops, integrating virtual and real channels, and developing a sound service network. In addition, the Company carries out brand and product segmentation and actively develops specific physical channels (such as Carrefour, Fe-amart, RT-Mart; Watsons, Cosmei, POYA; Allianz Supermarkets and 7-11 CVS channels, etc.) and TV shopping channels for each type of products to increase the product rollout rate and visibility.

E. Overseas market: The Company expects to establish a supply chain in China to introduce safe, reliable products to Chinese people. In addition to obtaining the Halal certification, we are expanding the Southeast Asian market in line with the New Southbound Policy to enhance the market value of our brand.

(2) Production policy

A. Sun-dried salt for domestic demand is supplied by foreign salt farms, while refined salt is produced by the Company. We will continue replacing production to improve productivity.

B. The Company will implement the quality management policy by controlling the quality of raw materials and introducing traceability to ensure the safety of products.

C. By product type, production is classed as inventory-based, plan-based, and order-based to meet market demand and prompt and proper supply and to effectively reduce inventory costs.

(3) Product development

A. In response to market demand and trends, the Company has utilised its core technical capabilities to continue to develop distinctive salt, water products, beauty care products, functional hair products, eco-labelled detergents, health food products, and biotechnology and medical materials.

B. The Company owns the core technology to plan the phased application of health food certification for health care products. Through the national certification, we hope to enhance brand recognition and customer loyalty to form market segregation and barriers, and bring added value to product value and sales.

C. In response to the trend of diversification of channels in the consumer market, the Company is expanding into new channels based on its brands and product lines. With solid R&D capabilities and manufacturing experience, the Company is developing outsourcing services, dual-branding, and brand licensing businesses to create joint results with other industries.

D. The company continues to search for and evaluate the market's distinctive technologies that can be introduced, and strengthens its own research and development strength, and even makes use of the resources of industry, government, academia, and research to shorten the development time, create brand names, and master the channels.

E. The company effectively utilises internal and external resources to support the marketing effect with scientific evidence.

(4) Scale of business

The Company will continue expanding overseas markets to increase the business sale and sales. In China, we established a subsidiary in Xiamen in 2010 to develop municipalities, including Shanghai and Beijing. A supply chain was also set up to increase business growth. In response to the New Southbound Policy, the Company will tap into the emerging Asian markets of potential to create product lines that meet local needs through local distributors, further increasing the accessibility and visibility of our brands. For the Japanese market, the company has developed collagen type II raw materials using its core technology. The relevant products have been officially launched in Japan in 2023, and sales volume will continue to rise in 2024.

(5) Allocation of funds

Our funds are allocated to day-to-day operations. According to the guidelines for the operation of financial products, the Company may invest excess cash in time deposits, funds, and stocks to keep the business safe and profitable.

2. Long-term business development plans

In the future, the focus of our business will be marine science and biotechnology. To expand our competitive advantages, we plan to invest in the biotechnology and medicine industry with our rich experience in biotechnology. Committed to promoting the idea of "holistic health," the Company aims to become the leader in this area. The Company will continue advancing transformation, corporate development, and internationalization in line with the development of different businesses.

(1) Marketing strategy

A. We will strengthen control over overseas salt to stabilize market supply.

B. We will maintain and leverage our brand value, develop new channels, and strengthen control over channels through marketing campaigns and propaganda.

C. We plan to develop marine science, biotechnology and medicine materials, cosmetics, and health products and markets, invest in online channels, and expand the scale of business at home and abroad.

(2) Production policy

A. Only competitive products are kept. Uncompetitive products will be eliminated.

B. New technologies will be introduced to expand the scale of production, creating a cost advantage.

(3) Scale of business

In response to the continuous growth of business, the Company will plan and expand the scale of business at home and abroad as needed.

(4) Suitable financial conditions:

Based on the long-term development of main business activities, the Company will make a sound financial plan to ensure that funds are used effectively and generate long-term, stable return on capital in the best interests of our shareholders.

II. Analysis of Market as well as Production and Marketing Situation

(I)Market Analysis

1. Sales region of main products

Most of the company's major products are for domestic sales, except for a small amount of salt products, skin care products, cleaning products, and bottled Water, which are exported to Mainland China, etc. The sales regions of main products and the percentages of domestic and foreign sales in the past 3 years are as follows:

Unit: NT$ thousands

Year / Sales Region	2021		2022		2023	
	Sales	Percentage (%)	Sales	Percentage (%)	Sales	Percentage (%)
Domestic	4,060,566	99.14	3,572,911	98.87	3,367,310	98.78
Export	35,085	0.86	40,696	1.13	41,501	1.22
Total	4,095,651	100.00	3,613,607	100.00	3,408,811	100.00

2. Market share
   (1) High-grade refined salt: As of the end of 2022, there were more than 20 imported brands competing in Taiwan's market, and the Company had a market share of approximately 80%.
   (2) Sun salt: The domestic industry has already imported sun salt to compete in the market. Large domestic alkali and chlorine companies import salt for their own use (accounting for approximately 90% of the total), while the remaining 10% is imported by companies such as the Company and Sesoda Corporation for supply to small and medium-sized enterprises. Competitors also import solar salt from Australia and India to compete with the Company in the market. Currently, the Company's market share in the sale of salt is approximately 70%.
   (3) Packaged water: Based on market sales statistics, it is estimated that the Company's market share is still approximately 15.7% or more.
   (4) Cleaning products: There are many domestic and imported cleaning brands in the market, where the Company has about 0.5~1.7% share.
   (5) Cosmetics: The scale of the domestic cosmetics market is about NT$60 billion, and the Company’s market share is estimated at 0.3~0.5%.
   (6) Health food: The scale of the domestic health food market is about NT$100 billion, and the Company's market share is estimated at 0.1%.

3. Future supply and demand of the market and growth potential

   (1) Salt and Water Business Division
   In terms of salt products, the company mainly imports the following items, Natural Salt (Coarse Salt), Natural Salt for Food Processing, High Grade Iodised Salt, Ordinary Fine Salt, Premium Iodised Salt Series, Table Salt, Reduced Sodium Salt Series, Imported Edible Salt Series, Soft Water Salt Series and Freshly Selected Me Seasoning Series, etc., for agricultural, industrial, fishery and food consumption, as well as for general food processing purposes. As salt products are mature products, consumers prefer dietary low-sodium salt. With imported brands, the market has sufficient supply and demand, so there is less room for growth.

Packaged water products are mainly alkaline ionised water and marine pure water. Due to the increased health awareness of the Chinese people and the Company's investment in marketing resources, sales of alkaline ionised water have continued to show a year-on-year growth trend. However, competition remains fierce as competitors continue to add products and invest in higher marketing expenses.

(2) Biotech Business Division

Taiwan's cosmetic consumption demand continues to rise, driving the average cosmetic consumption expenditure of Taiwanese people to the top of Asian countries, second only to Japan and Korea. As demand is unmet, there is still room for growth. Domestic and overseas sales by local manufacturers have been growing steadily year by year. In the ranking of major manufacturers, the Company ranks among the top 30 manufacturers in the domestic cosmetics market. The Company will take more active actions in the future to compete with the changes of domestic and overseas market environments.

In 2023, the five major challenges and trends facing health and nutrition food products include: (1) the restructuring and reorganization of production, transportation, and logistics to strengthen supply chain resilience; (2) the increasing demand for healthy and immune-boosting food products will make new ingredients and product differentiation the key to competitiveness; (3) the new forms of virtual and real integration of pathways, which has become a key operational focus for health and nutrition food manufacturers; (4) the maintenance of product safety standards, which is an important issue to gain high consumer trust; and (5) consumers' strong connection between body nutrition and global sustainability, which makes ingredient selection a key point of product positioning. In response to the changes in the global ecosystem, relevant industries and manufacturers in China are highly concerned about environmental protection and have been taking concrete actions to respond to and plan for the changes. For example, Grape King has developed a probiotic that can improve stomach, liver, and intestinal injuries caused by alcohol, by isolating natural substances. The strain was recognized at the European Cup International Invention Exhibition. Bened Biomedical Co., Ltd., a start-up company specializing in the development of probiotic strains for autism and Alzheimer's disease, has won international attention for its R&D strength and future potential. Grape King, Uni-President, TCI CO., Ltd., and HeySong all strengthened their co-operation with domestic and international partners. The company continues to invest in cross-industry collaborations, such as improving product safety and functional value, enhancing the ability to identify and test the efficacy of new ingredients, increasing the emphasis on safety and transparency of raw materials, ingredients, and processes, combining the use of digital technology, access to testing data, and creating service platforms to provide experience creation. The company's role and the value of its partnerships are even more evident in its pursuit of global markets and the promotion of consumer health.

(3) Competitive niches

A. Sophisticated equipment, advanced salt production technology, premium quality, and perfect distribution system.

The Company is currently the producer of refined salt in Taiwan. Produced with ion-exchange membranes, refined salt is free of heavy metal pollution, which is a competitive advantage over other salt products.

The Company has an in-depth understanding of the market demand for salt products and has established a sound distribution system, which is a high threshold for new players.

B. Excellent R&D team, strong innovation capabilities

In the short run, the Company takes good advantage of our creativity and core strengths to exchange technology with many universities and research institutions. With academic and research resources, we are able to shorten the development timeline and seize market opportunities ahead, quickly improving our technical capabilities and competitiveness. In the medium and long run, the Company continues to consume knowledge to build excellent technical capabilities that are used to develop products with market potential and segmentation.

In the development of collagen technology, the Company has been investing in the development of raw material purification manufacturing technology for many years, and is familiar with the development of product applications and has begun to develop new products. Currently, the Company has developed beauty care products, health food products and biomedical wound dressings using different types of collagen raw materials. The Company is also deeply committed to the research and development of collagen, and has developed its own unique sub-micron collagen-coated carriers, which can produce nano-soluble collagen-coated astaxanthin particles in both water and oil phases. The efficacy of this product has been tested and proven to have excellent spot reduction and anti-wrinkle efficacy, and is far superior to the Japanese competitors that claim to be nano astaxanthin emulsions on the market, and has been awarded the top innovation prize at the French Cosmetic Awards. In addition, the company has further expanded the use of collagen beyond skincare by developing products for hair growth enhancement to solve the problem of hair loss as we age and to fulfil consumers' desire for health and beauty. At the same time, the company is also developing hydroxyapatite, which is derived from the same source as marine collagen, to strengthen enamel and enhance the professionalism of toothpaste.

The development of important active ingredients in health food and skin care products using fermented yeast is also the Company’s core technology. In recent years, we have started to establish activity evaluation technology to sieve out the key ingredients of cosmetics featuring whitening, anti-oxidation, anti-aging and other effects. Based on the research characteristics of each key ingredient, the company has applied for the INCI name of the International Cosmetic Institute. Among them, "Portobello Pine Extract" won the Bronze Medal at the Seoul Invention Award and the Gold Medal at the Malaysia ITEX International Invention Award; "PGF" Marine Genetic Factor won the Silver Medal at the Malaysia ITEX International Invention Award for its nutritional benefits; and "ATGC Nucleoside Essence" won the Gold Medal at the Seoul International Invention Award, with the jury favouring it. In 2019, "KalloTai III" in the Lumiel New Collagen Line and "Collagen Peptide XVI-Hair growth" obtained the INCI names. By 2022, the company will have obtained a total of 18 INCI exclusive designations recognised by the International Cosmetic Institute (INCI). As toothpaste will be formally included in the cosmetic category on 1 July 2021, the Company has also been conducting tests and accumulating scientific data on toothpaste products containing its own key ingredients in order to strengthen the basis for product promotion.

In the development of health food products, as people gradually returned to a normal lifestyle after the pandemic, the company introduced calcium powder, high-quality protein, vitamins, and other related products to meet consumers' needs for mobility and physical fitness, making the product lineup more comprehensive and precise to meet the needs of users.

In terms of salt products, the company focuses on the derivative applications of salt and core raw materials. In response to the trend of increased outdoor activities after the pandemic, the Company has developed the concept of "salt lozenges" in the early stages of development to increase the practicality of salt, so that salt can play a role in replenishing electrolytes to prevent heatstroke, so that muscle strength can be restored, and to achieve the light health care function of sports recovery.

The Company has a strong foothold in health products, salt seasonings, and bottled water. In the future, we will continue developing differentiated products and proving efficacy with our core technologies; preliminary study on the products in relation to consumers' health problems will also be conducted to respond to market changes. The Company will also cooperate with academic and research institutions on the features and added value of products to improve research and development capabilities and competitive advantages.

C. Good company reputation and brand image

The Company has an image of being stable and innovative. The Company has established a good brand image and reputation in the market, for the quality of our products is highly trusted by consumers. Upholding an idea of "putting the customer first," the Company offers fast service to increase customer satisfaction and loyalty.

D. Close-knit marketing channels and complete service network

The Company has sales offices and directly-managed stores in the north, central and south of the country, as well as Taiwan Salt's online shopping platform, which integrates virtual and real channels and forms a sound service network. In addition, the company also cooperates with major channels (e.g. COSTCO, Carrefour, Fe-amart, RT-MART, Watsons, Cosmei, POYA, PXmart, 7-11 and GreatTree) and experienced distributors to sell products on TV shopping channels and e-commerce channels (e.g. momo, Pchome, Yahoo, etc.), Yahoo, etc. to develop diversified sales channels. A complete service network not only provides customers with convenient and quality services, but also enhances the Company's competitiveness.

E. Sound finances

Due to the Company's stable operation and good performance, the current ratio and the quick ratio were 274.85% and 229.89% respectively in 2023, indicating that the Company has the sound financial structure and stable operating style. This gave us a considerable advantage in a competitive market.

F. Quality manpower

The Company firmly believes that the future growth and prosperity of a company rely on outstanding talent. Based on our business strategies and needs, we are recruiting professionals in various fields to improve the operating performance and profitability. Among the manpower of the Company's research and development department, 88% of them have master's and doctoral degrees. With excellent human resources, the Company gets a hold of the core competency of various fields and constantly introduces and develops the required technologies to improve competitiveness.

G. Leading testing technology

The Company has been certified by the Taiwan Accreditation Foundation (TAF). We are currently the only certified laboratory in Taiwan that has passed the "Heavy Metals Test for Salt." The technology and quality of the Company’s laboratory to test heavy metals in salt have been far leading from other competitors. In addition, we have successively obtained the TAF’s certification of testing technology for “cosmetics heavy metals (arsenic, lead, cadmium, and mercury), cosmetics microorganisms (total bacteria count and total fungi), and food microorganisms (total bacteria count, Escherichia coli, and Coliform bacteria)” to increase the credibility of our testing technology.

(4) Positive and negative factors for future development and response measures

Positive factors:

A. Complete and diversified product lines with a long life cycle

Salt products are one of the Company's major lines of business. The Company has expertise in salt production and continues to roll out various products. Our salt products are highly accepted and received by customers for their superior quality. Salt has always been a necessity for people's life, agriculture, industry, and fishery, and there is no substitute for it. Salt has a long life cycle, which is conducive to the Company's revenue and profit. Our bottled water comes from the ocean and remains alkaline after electrolysis, so it is very healthy. It has been rapidly growing in recent years and highly received by consumers.

B. Strong innovation capabilities in line with market trends

In response to consumers' high demand for health and quality of life, the Company continues to develop new products, such as iodised salt, extra iodised salt, iodised sea salt, Fresh Choice Koji Seasoning, Himalayan hand-picked rose salt, Mediterranean Sea Salt, and Soft Water Salt, etc., in order to enhance consumers' taste of life. Salt-containing cleaning and bath products are also marketed through differentiation to secure market share. Being located in a resource-poor island country (Taiwan), the Company also makes good use of marine resources and electrodialysis salt production technology to provide pure and safe edible salt products for the people of Taiwan. In addition, the Company has also developed the marine packaged drinking water business with its specialised marine chemical technology to meet the needs of Taiwanese people and become the number one brand of marine alkaline drinking water. In response to the development of medical products, cosmetics, and food products, the Company uses collagen production technology and fermentation technology for medical products to develop cosmetics and health food. By expanding the product line based on the market trend, we further increase the added value of the products.

C. Strong expertise and excellent quality

The Company is committed to using the state-of-the-art technology to provide the best quality products for consumers. We spare no efforts to invest in production equipment and technologies in hopes of delivering the best quality. Taking salt products for example, refined salt is produced using ion exchange membrane electrodialysis that can remove heavy metals. Among all salt production methods, it is the safest way to produce salt.

The Company continues to innovate and establish various R&D platforms and key technologies to strengthen the competitive advantages:

a. Activity evaluation platform for efficacy ingredients

With various activity evaluation platforms, potential substances in various biological libraries can be quickly screened and explored and further developed into unique key core components or raw materials for product innovation. Cell tests are conducted to eliminate sources of negative ingredients to ensure the safety of products.

b. Cosmetics effectiveness testing

The Company has developed both domestic and international microbiological challenge testing and quality control inspection technologies, and continues to devote itself to the development of product formulation reliability testing technologies in order to optimise formulations, enhance product safety and comply with international quality standards.

c. Key raw materials with natural active ingredients

Developing active ingredients that are consistent with the Company's product strategy can enable the company to lead in skin care products and health food. Up to now, the company has obtained a total of eighteen International Cosmetic Ingredients (INCI) accreditations. Marin-KalloTai (Marine Collagen), PME, Tongkat Ali Extract, Quinoa Extract, ATGC Nucleoside Extract, and Beauty Acidic Water have been used in the development of biotech products. In order to comply with the halal certification of collagen cosmetic ingredients, the new generation of LUMIEL collagen key ingredients has also obtained INCI. The company has developed new generation beauty ingredients such as sub-micron-coated Podocarpine Extract or Astaxanthin, as well as naturally extracted Fish Scale Collagen, which has a high concentration of collagen-producing peptides. In addition to raw materials for skin care products, we manage turmeric production and obtain the organic certification of the processing line. Turmeric can be used to develop anti-aging, anti-inflammatory health food.

d. Database of formulas for skin care products and cleaning products

In recent years, the skin care market has changed rapidly with diversified channels and consumer needs. Product need to be customized to meet the different consumer needs. In response to this market trend, the Company has developed various types of formulas for skin care products, completed relevant tests, and established a database of various formulas. The scope of the database is constantly expanded to quickly and effectively respond to market changes.

Thus, the Company has considerable advantages of quality, production, and research and development.

Negative factors and response measures:

A. Intensive competition after privatization

After the privatization of the Company, the "Salt Management Regulations" was abolished in January 2004, allowing salt to be freely managed and competed.

Response measures:

a. We strengthen the diversification of products to meet consumer needs.

b. Market segmentation and positioning of quality products are introduced to compete with imported low-priced and low-quality salt products.

c. The Company strengthens the control of marketing channels and strategies, so that consumers can purchase our products in the most convenient and efficient way and be loyal to our products.

d. We continue to improve the quality of imported natural salt to improve competitiveness and to regain lost customers.

B. Perfect competition in the cosmetics market

The cleaning product market in Taiwan is perfect competition, and internationally renowned manufacturers account for the most share of the market. For the Company, the competition will be intense.

Response measures:

a. Green nutritional products are for health and sustainable development, penetrating the young generation, making them identify with the products and become new members of the brand.

b. Focus on KOC/KOL marketing for digital transformation and online sales.

C. Competition in the food market

Frequent food safety issues reduce consumers' willingness to buy, affecting the growth of the health product market.

Response measures:

a. We accelerate the certification of health products to assure the efficacy of the products that meet consumer expectations.

b. With a sound quality monitoring system, the Company ensures that the quality of products meets food safety regulations and consumer expectations.

c. The Company strengthens the safety of products by implementing a traceability system. To set every consumer's mind at rest, information and reports on the inspections of raw materials, production processes, and finished products are available for inquiry on the public website by production date and production batch.

D. Limited water source in the expansion of the bottled water market

At present, the source of bottled water comes from evaporating and condensed water produced in the process of salt production. With the continuous expansion of the bottled water market, water is slightly insufficient.

Response measures:

By increasing the recovery rate of evaporating and condensed water in the salt production process and strengthening the bottled water process, the output of bottled water can be increased to improve market share.

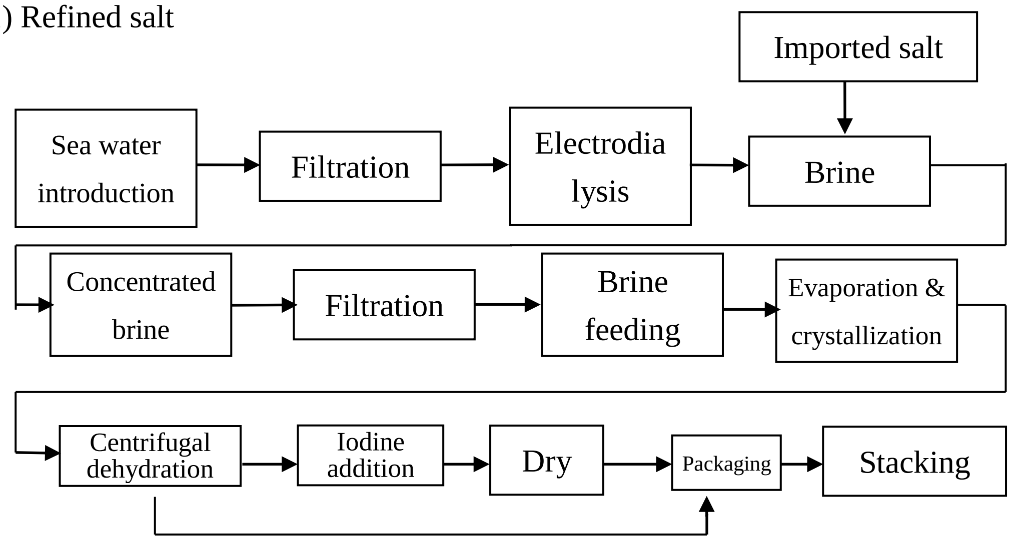
(II)Usage and Manufacturing Processes of Main Products

1. Usage of main products

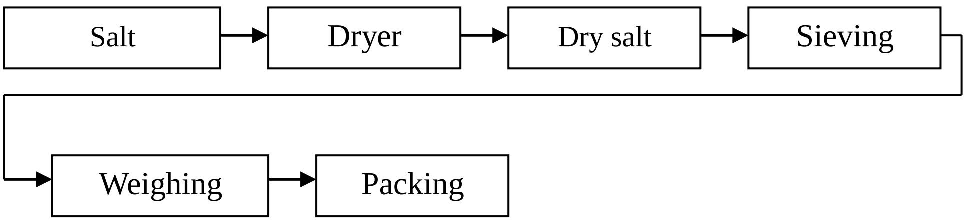
Main Product	Usage or Function
Natural Salt	For industry, agriculture, food processing, and fishery
Coarse-grained Salt	Raw material for titanium dioxide production
Iodized High Quality Salt	For cooking, pickling, and soaking fruits and vegetables, added with "iodine"
Refined Salt	For industry, agriculture, and food processing
Dietary Low-sodium Iodized Salt	For cooking and seasoning, replacing sodium with potassium to reduce sodium and increase potassium intake
Bottled Water	Drinking water
Cosmetics	For daily skin care, moisturizing, anti-aging, whitening, and sun protection
Cleaning Products	Daily cleaning and bath products and toothpaste
Health Food	For daily body health
Snacks	General food
Medical Devices	Wound dressing to speed up wound healing
Fermented Products	Raw materials for health products, cleaning products, cosmetics

2. Manufacturing processes of main products

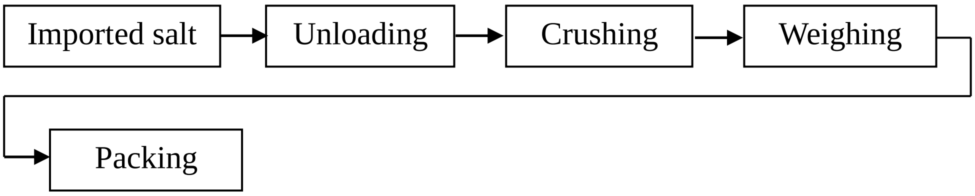
(1) Refined salt



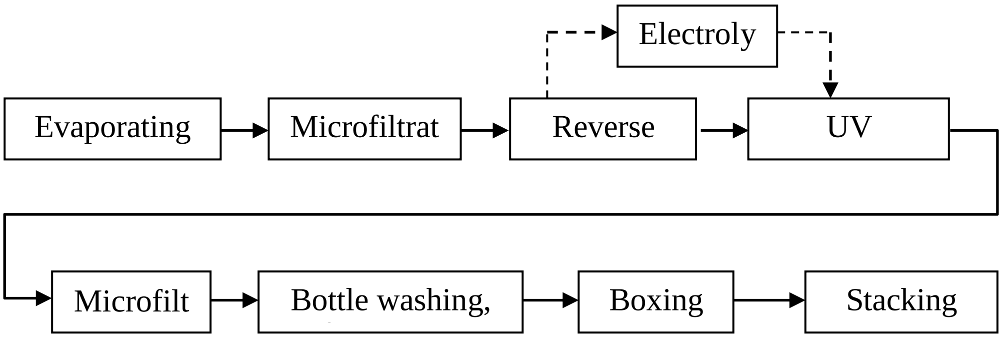
(2) Coarse-grained salt



(3) Natural salt

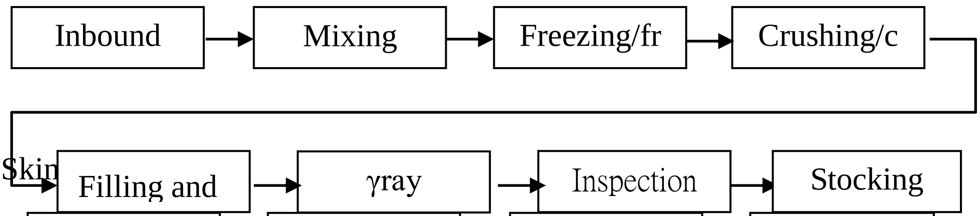


(4) Bottled water

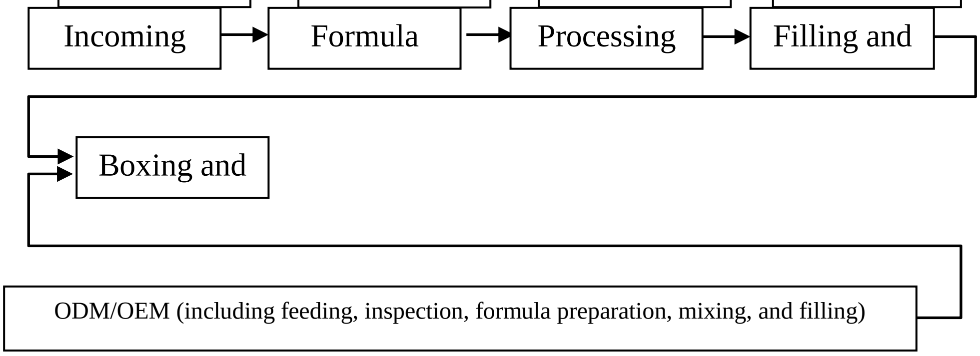


(5) Biological wound dressings, health food, and skin care products

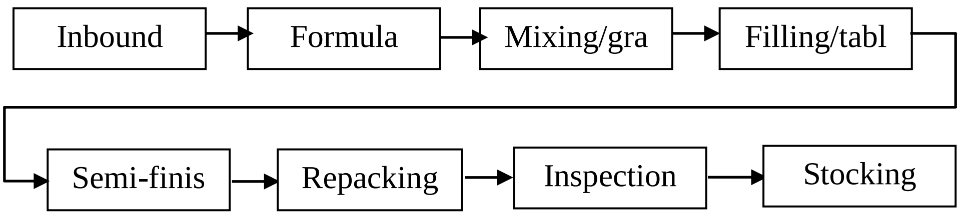
A. Biological wound dressings



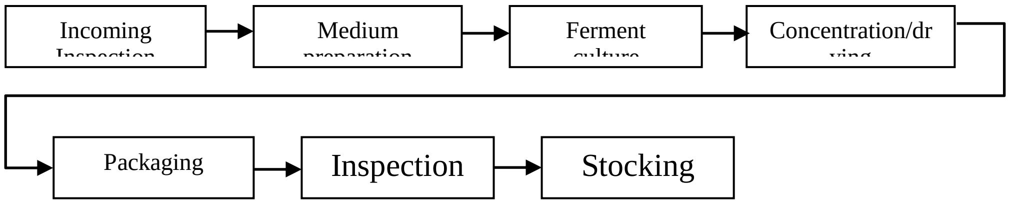
B. Skin



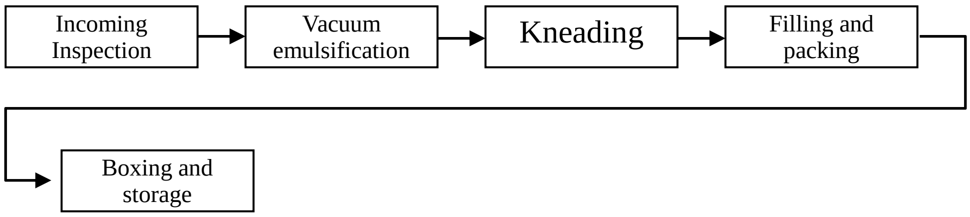
C. Health food



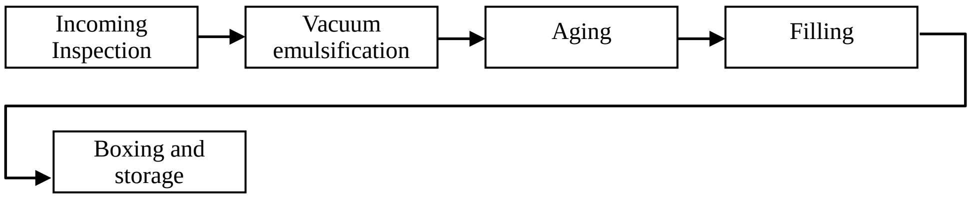
(6) Fermented products



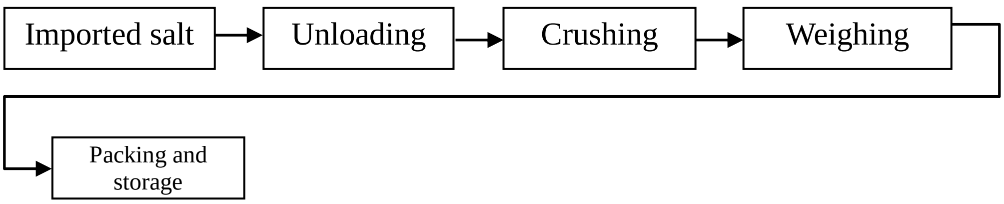
(7) Toothpaste



(8) Facial cleanser, shampoo, and body wash



(9) Crushed salt



(III) Supply of Main Raw Materials

Supply of Main Raw Materials	Source	Supply Situation
Salt	Australia, Spain, Pakistan	Stable
Packaging Materials	Taiwan, China, Korea	Stable
Health Food Ingredients	Taiwan, India, Japan, the U.S., and	Stable
Skin Care Product	Taiwan, USA, Japan, Europe, China	Stable
Cleaning Product	Taiwan, the U.S., Malaysia, and China	Stable

(IV) Suppliers and Clients Accounting for 10% or More of the Total Procurement (Sales) Amount in Either of the Most Recent Two Years, and Amount, Percentage, and Reason for Increase/Decrease Thereof

List of Major Suppliers in the Most Recent Two Years

Unit: NT$ thousands; %

	2022				2023				As of Q1 2024 (Note 2)			
Item	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with Issuer	Name	Amount	Percentage of Annual Net Purchases (%)	Relationship with the Issuer	Name	Amount	Percentage of Net Purchases As of Q1 2024 (%)	Relationship with the Issuer
1	TPD00004	326,122	25	N/A	TPD00004	393,702	32	N/A	TPD00004	112,322	36	N/A
2	D03522***	262,571	20	N/A	D03522***	247,833	20	N/A	D03522***	58,154	19	N/A
3	Others	732,687	55	N/A	Others	590,409	48	N/A	Others	140,408	45	N/A
	Net purchases	1,321,380	100		Net purchases	1,231,944	100		Net purchases	310,884	100	

Note 1: List the names of suppliers whose procurement in the last two years exceeded 10% of the total procurement, and the amount and percentage of their procurement. However, if it is stipulated in the contract that the names of the suppliers cannot be disclosed, or if the counterparties are individuals and not related parties, they can be listed as code names.

Note 2: As of the printing date of the annual report, companies whose listed or over-the-counter stocks have been traded on the stock exchanges should disclose the latest financial information that has been certified or reviewed by a certified public accountant.

List of Major Clients in the Most Recent Two Years

Unit: NT$ thousands; %

	2022				2023				As of Q1 2024 (Note 2)			
Item	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with Issuer	Name	Amount	Percentage of Net Sales As of Q1 2024(%)	Relationship with the Issuer
1	105366	897,080	25	N/A	105366	953,475	28	N/A	105366	248,003	30	N/A
2	Others	2,716,527	75	N/A	Others	2,455,336	72	N/A	Others	565,294	70	N/A
	Net sales	3,613,607	100		Net sales	3,408,811	100		Net sales	813,297	100	

Note 1: List the names of customers whose sales in the last two years exceeded 10% of the total sales, and the amount and percentage of their sales. However, if it is stipulated in the contract that the names of the customers cannot be disclosed, or if the counterparties are individuals and not related parties, they can be listed as code names.

Note 2: As of the printing date of the annual report, companies whose listed or over-the-counter stocks have been traded on the stock exchanges should disclose the latest financial information that has been certified or reviewed by a certified public accountant.

(V) Production Volume and Value for the Most Recent Two Years

Production Capacity/Volume/Value Unit: Metric ton; bottle; box/ NT$ thousands

Production Capacity /Volume/ Value / Year / Main Product (or Segment)	2022			2023		
	Capacity	Volume	Value	Capacity	Volume	Value
Salt	359,165	235,444	806,809	359,910	223,090	848,170
Cosmetics	4,432,388	900,457	59,905	4,152,665	942,220	85,001
Cleaning Products	5,548,241	3,020,348	125,551	7,080,139	3,020,967	120,482

Health Food	2,418,922	2,478,511	136,739	1,677,929	1,400,421	85,032
Bottled Water	65,054,118	116,544,530	589,584	65,054,118	116,698,610	579,396
Others	—	368,230	12,584	—	354,860	15,950
Total	—	—	1,731,172	—	—	1,734,031

Note 1: Capacity refers to the quantity that the Company can produce under normal operations using existing production equipment after considering necessary shutdowns, holidays and other factors

Note 2: If the production of each product is substitutable, the production capacity may be combined with an explanation given.

(VI) Sales Volume and Value for the Most Recent Two Years

Unit: Metric ton/NT$ thousands

Sales Volume/Value \ Year / Main Product (or Segment)	2022				2023			
	Domestic		Foreign		Domestic		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Salt	258,475	1,435,890	7,181	24,772	256,230	1,546,854	7,376	28,546
Cosmetics	—	114,924	—	45	—	136,166	—	74
Cleaning Products	—	176,381	—	16	—	161,117	—	128
Health Food	—	224,066	—	478	—	174,254	—	2,850
Bottled Water	—	1,005,773	—	15,385	—	1,051,178	—	9,904
Engineering & Service	—	557,955	—	—	—	224,710	—	—
Others	—	57,922	—	—	—	73,030	—	—
Total	—	3,572,911	—	40,696	—	3,367,309	—	41,502

Note: The volume of skin care products, cleaning products, health products, and bottled water is not totaled because of different units.

III. Information on the wages of practitioners for the last two years and up to the date of publication of the annual report

Year		2022	2023	For the year ended January 31, 2024 (Note 1)
Number of Employees	Managerial officers	23	22	22
	Sales staff	130	125	126
	Administration staff	86	86	85
	Direct staff	240	246	245
	Total	479	479	478
Average Age		44.78	45.12	46.12
Average Years of Service (Note 2)		14.30	14.56	15.54
Distribution of Education Attainment and the Relevant Ratios	Ph.D.	1%	1%	1%
	Master	31%	31%	31%
	Tertiary Institution	57%	57%	57%
	Senior high	10%	10%	10%
	Below junior high	1%	1%	1%

Note 1: Information as of the date of publication of the Annual Report.

Note 2: Years of service before privatization in November 1993 are included.

IV. Disbursements for Environmental Protection

(I) Pollutant Control and Prevention Measures

1. Wastewater control and prevention

   Wastewater (sewage) of Biotech Health Products Factory, Biotech Cosmetics Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory should be controlled. Rainwater and wastewater from the Biotech Healthcare Plant are collected by separate streams, and a wastewater treatment facility has been set up. The discharged water is treated to meet the control standards of the Tainan Science and Technology Industrial Park (TSTIP) before it is incorporated into the park's sewerage system. Tung-Hsiao Electrodialysis Refined Salt Factory's wastewater (sewage) discharge is 309.4CMD (229.4CMD of operational wastewater + 80CMD of domestic sewage). According to the law, a Class B wastewater treatment specialist should be set up to be responsible for the operation and maintenance of the wastewater treatment facilities and for the change and extension of the water pollution control permit. In addition, the quality of discharged water should be tested every six months to confirm that the test results comply with the discharged water quality standards. The factory should regularly maintain the wastewater treatment facility and test the quality of discharged water every six months to confirm that the test results are in compliance with the discharged water quality standards.

2. Waste control and prevention

Waste of Biotech Health Products Factory, Biotech Cosmetics Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory should be controlled. Only general industrial waste is produced in these three factories, and the amount and flow of waste are reported via the Internet every month. Qualified suppliers are entrusted to dispose of waste. The containers and their sales volumes in the previous two months are reported every odd month, with a container recycling fee paid together. The Cigu Salt Plant only produces general domestic waste, which is also disposed of by qualified suppliers.

3. Exhaust control and prevention

Stationary pollution sources of Biotech Health Products Factory, Biotech Cosmetics Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory should be controlled. Air pollution fees and emissions are reported on a quarterly basis. In the Tung-Hsiao Electrodialysis Refined Salt Factory, the boilers use natural gas to generate power. According to the regulations, an approved testing company is entrusted every year to test whether the NOx concentration of exhaust emitted by the boilers meets the emission standards and to maintain discharge pipes (including chimneys); a small amount of exhaust from the Biotech Health Products Factory and the Biotech Cosmetics Factory has met the air pollution control standards. The Cigu Salt Plant produced no exhaust.

4. Noise control and prevention

The noise at the perimeter of each factory has met the noise control standards.

5. Toxic chemicals control and prevention

Toxic chemicals are used in the Biotech Health Products Factory, Biotech Cosmetics Factory, and Tung-Hsiao Electrodialysis Refined Salt Factory only, with the volume used below the minimum control limit. In accordance with the "Regulations for the Labeling and Materials Safety Data Sheets for Toxic and Concerned Chemical Substances," these factories update the safety data sheet, the hazardous chemical list, and toxic chemical labels, record the daily volume used, and report the record of the previous month before the 10th of each month.

(II) Losses for the Most Recent Two Years Due to Environmental Pollution Incidents

(Any losses in the most recent fiscal year and up to the date of publication of the Annual Report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made)

N/A.

(III) Countermeasures

1. Corrective measures

The Company was not subject to any compensation for pollution. In response to increasingly stringent environmental standards, the Company will improve pollution prevention equipment or strengthen management in accordance with relevant environmental regulations.

2. Impact after correction

The Company has always attached great importance to environmental protection. We control exhaust, wastewater, and waste in accordance with environmental regulations and discharge standards. In the future, we will continue reducing waste and pollution in the production process while investing in pollution prevention equipment. By managing pollution strictly, we are able to minimize environmental pollution and thus fulfill our corporate social responsibility.

(IV) Estimated Disbursements for Environmental Protection for the Next Three Years

Item		2023	2024	2025
Equipment to Be Purchased or Expenditures	Maintenance and update of exhaust gas and waste (sewage) water treatment equipment	884	16,203 (Note)	745
	Improvement in processes at risk of pollution	0	0	0
	Purchase of waste (sewage) water testing equipment	72	60	60
Amount (NT$1,000)		956	16,263	805

Note: Expenditures for the construction of a wastewater treatment plant to accommodate the Cigu Salt Mountain Recreation Area Development Plan project are expected to be $1.5 million in 2024.

Expected improvements:

1. The concentration of exhaust and wastewater discharges meet the standards of environmental laws and regulations.
2. The process is stably controlled.
3. Waste and pollution are reduced and prevented.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education and Training, Retirement Systems, and Their Implementation, Labor-management Agreements, and Measures for Preserving Employees' Rights and Interests

1. Employee benefit plans

(1) In addition to labor and health insurance, group insurance, and employee stock ownership trusts, the Company pays bonuses by unit and individual performances based on the Company's earnings, implements employee compensation, and organizes education and training.

(2) The Employee Welfare Committee is in place to allocate employee benefits monthly for organizing trips, distributing festival gifts, and holding other activities.

(3) Labor-management meetings are held to improve the labor's working conditions and work environment. The purpose of labor-management meetings is to facilitate the cooperation and harmony between the employer and the employees.

2. Continuing education and training

Year	2021	2022	2023
Number of Courses	165	196	249
Number of Trainees	1,920	3,276	4,403

Number of Training Hours	6,069	8510	11529
Average number of training hours per person	13	18	24
Training Fee (NT$)	813863	853009	1354098
Average Training Expense per Person (NT$)	1,682	1,781	2,827

3. Retirement systems

According to the Labor Standards Act, a retirement reserve is appropriated monthly and deposited in the employee’s dedicated account at the Department of Trust, Bank of Taiwan. The Company pays the pensions to employees in accordance with the Labor Standards Act. Starting from July 1, 2005, for employees who choose to apply the pension system under the Labor Pension Act, 6% of their monthly salary will be appropriated to their dedicated pension account at the Bureau of Labor Insurance.

4. Labor-management agreements and measures for preserving employees' rights and interests

Falling into an industry applicable to the Labor Standards Act, the Company operates based on the Labor Standards Act. The Company has a complaint and reporting channel and various levels of supervisors' mailboxes to receive employee complaints and solicit various opinions from employees. Meanwhile, the Company has signed a group agreement with the Taiyen Enterprise Trade Union Federation, which is regularly negotiated and revised to protect the rights and interests of employees. The Company values employee benefits and two-way communication with employees, so the labor-management relations are harmonious. There have been no labor disputes since establishment.

In November 2003, the Company signed a group agreement with the Federation of Trade Unions of Taiyen Company. The current group agreement was signed in November 2018, and contains 45 articles, including: General Provisions, Employment, Dismissal, Working Hours, Rest, Vacation, Appraisal, Reward, Punishment, Promotion, Salary (Wages), Allowance, Bonus, Welfare, Training, Safety and Health, Retirement, Discharge, Widow and Orphans' Parents' Complaints (Including Occupational Accident), Labor Conferences and Settlement of Disputes, and Supplementary Provisions, with a total of nine chapters

5. Code of conduct or ethics

(1) To maintain the order and ethics in the workplace, the following employee rules are drawn up as a code of conduct for all employees:

9 Dos
1. All employees should put the Company's interests first and never engage in transactions that are not beneficial for the Company. 2. All employees should strive to work professionally and attentively and take a proactive attitude to do things better. 3. All employees should do everything transparently, fairly, and with reason, and answer questions with a clear conscience. 4. Each unit should grant/impose rewards/punishments clearly, disallow repeated mistakes, and forgive first offenders depending on the case and punish repeated offenders. 5. Supervisors at all levels are responsible for supervising, following up, and evaluating the meeting resolutions or assignments to improve work efficiency and effectiveness. 6. Supervisors at all levels should lead by example.

7. Supervisors at all levels should carry out management by walking around and have the courage to discover and solve problems at any time. 8. All employees should take action and face challenges in the intense competition after the privatization of the Company. 9. Senior employees should share their experience with new recruits and take care of younger generations.
10 Don'ts
1. Don't give gifts to superiors. 2. Don't ask people to lobby on promotion and transfer. 3. Don't purchase goods from relatives. 4. Don't accept gifts from any counterparties. 5. Don't gain private ends in public cause, or strict punishment will ensue. 6. Don't perform work perfunctorily; streamline processes to increase productivity. 7. Don't snoop or leak company secrets. 8. Don't waste company resources; be provident. 9. Don't be complacent about immediate results and overlook future challenges. 10. Don't leave office with undone work.
10 Norms
1. Taiyen's business philosophy: integrity, dedication, pleasure at work. 2. Taiyen's culture: professionalism, innovation, efficiency. 3. Taiyen's competitive advantages: Low-cost, high-quality, quickest-service, biggest features. 4. Be lazy at work today, be on unemployment tomorrow. 5. Employees make an all-out effort to innovate, turning "salt" into gold. 6. The only unchanging rule is to "change." "Being better" is Taiyen's sustainable development goal. 7. Employees strive to achieve what's beneficial to the Company. 8. Respect customers and go beyond their expectations. 9. View customer complaints as gifts and treat customers with gratitude. 10. Put the customer first.

(2) The Company identifies "professionalism, innovation, efficiency"as the corporate culture and expects employees to fulfill "integrity, responsibility, and productivity." In addition, the Company has set out the key points of rewards and punishments for its employees and has informed its employees to comply with these points. Employees should be aware of the code of conduct. In the event that there are sufficiently encouraging deeds or warning behaviours, rewards and punishments will be provided in accordance with the above provisions.

6. Protective measures for the work environment and personal safety
   (1) Fire inspections and drills are organized.
   (2) Health checkups are provided for employees working in general and special operations.
   (3) Operators should wear earplugs or earmuffs and other personal protective equipment if the work environment exceeds the standard.
   (4) The lighting should be improved if the work environment does not meet the lighting standard.
   (5) Occupational safety and health rules and equipment operation safety standards are formulated and implemented.
   (6) Leak alarms and material safety data sheets are set up for hazardous materials or devices, and statutory education and training is organized for operators.
   (7) Qualified operators for statutory dangerous equipment are appointed, and regular

inspections are carried out according to law.

(8) Occupational safety and health training and emergency drills are organized according to law.

(9) Provision of personal protective equipment according to the safety requirements.

(II) Losses suffered as a result of labour disputes in the most recent year and up to the date of printing of the annual report (including the results of labour inspections in violation of the Labour Standards Act, the date of the sanction, the number of the sanction, the provision violated, the content of the violation, and the sanction imposed should be stated), and the estimated amount of current and future losses and the measures to be taken (if it is not possible to make a reasonable estimate, the fact that it is not possible to make a reasonable estimate should be stated):

The Company attaches great importance to employee benefits and training. The labor-management relations are harmonious, and no labor disputes have occurred.

VI. Cybersecurity Management:

(I) The Company's information security risk management framework is the responsibility of the Information Group under the Corporate Development Division, which consists of two to three people responsible for the security management, planning and execution of each department's information security, as well as regularly reviewing the

1. Information and Communication Security Policy

In order to build a secure information environment for Taiyen and to protect the assets of all information and communication systems of the company, we hereby formulate our Cybersecurity Policy to ensure the smooth operation of the company. This policy is for all colleagues to follow:

(1) Comply with laws and regulations.

(2) Ensure that information assets are properly protected from unauthorized intrusion.

(3) Build up the physical and environmental security measures of the information server room. Perform regular maintenance to ensure safe operation.

(4) Clearly regulate the use of network systems to prevent unauthorized access.

(5) Establish Cybersecurity maintenance plan and Cybersecurity incident response mechanism, and organize Cybersecurity incident drills from time to time.

(6) Regularly organize Cybersecurity education and training to raise employees' awareness of Cybersecurity.

(7) Implement management of outsourcing vendors to ensure the security of information and communications services.

2.Cybersecurity Risk Management Framework

In order to strengthen the Company's information security management and ensure the security of data, system and network, the Company should deploy a dedicated information security manager and a dedicated information security staff. The Information Group under the Corporate Development Division is responsible for information security management, planning and execution of each department, and regularly reviews the information security policy and formulates the information security key points, which are reported to the supervisor for approval and implementation, in order to protect the company's information assets (including software and hardware facilities, data, information, personnel and services, etc.) from internal and external, intentional or accidental threats, and to safeguard the integrity of the information and the availability of the information and the security, and to ensure that the company's operation is not interrupted, to build a full range of information security and defence capabilities and colleagues good information security awareness.

(1) The Company's cybersecurity risk management framework has the three steps of information security protection as follows:

A. Before: Prevention

The main focus is on privilege control, access control, social engineering, and vulnerability scanning, with emphasis on the following:

a. Website vulnerability scanning.
b. Host vulnerability scanning.
c. Mail social engineering exercise.
d. Permission control: for each system, file server and network hard drive according to the staff levels.
e. Access control (disable USB).
f. Enterprise private cloud, replacing file transmission and sharing.

B. Amidst: Monitoring, Management

The main focus is on detection and monitoring, response processing, endpoint protection, and firewall, with emphasis on the following:

a. Network firewall construction.
b. Antivirus software construction.
c. AntiSpam: Spam filtering system.
d. WAF: Application website firewall service.
e. Advanced Persistent Threat (APT).
f. Data Security: Data backup and offline tape backup.
g. Cybersecurity threat detection and management mechanism.
h. Virtual private network access mechanism.
i. EDR/MDR endpoint protection.

C. Afterwards: Tracking and Auditing

In order to recover the plan, improve communication, and retain data, the following are the key points:

a. Log records.
b. System data recovery (recovery plan).

3.Cybersecurity Specific Management Solutions and Measures

(1) Specific management plan for Cybersecurity is as follows:

A. Key points of network usage management of Taiyen Biotech Co., Ltd.
B. Key Points for Account Management of Information System of Taiyen Biotech Co., Ltd.
C. Key points of information equipment management at Taiyen Biotech

Co., Ltd.

D. Key points of computer software management at Taiyen Biotech Co., Ltd.

E. Key points of Cybersecurity Emergency Response for Taiyen Biotech Co., Ltd.

(2) Specific management measures for Cybersecurity are as follows:

A. Private devices and unauthorized software are prohibited.

B. Passwords must be regularly updated and comply with password principles.

C. Conduct social engineering exercises to raise employees' awareness of information security.

D. Implement an enterprise-level network to differentiate between employee and visitor network privileges, and prohibit visitors from accessing Taiyen's intranet.

E. Prohibit the use of external storage devices.

F. Adopt two-stage authentication for two-factor authentication.

G. Restrict the source IP from specific external network services.

H. Disable remote control software connections to reduce the risk of intrusion.

I. Gain administrator privileges of personal computers to avoid being implanted with malware, installing unauthorised software, and violating copyright laws.

J. Set up personalised network space for backup of important personal files and data.

K. Regularly check for illegal software use and implement illegal software control.

L. Account control of employees who have left or retired.

(II) Losses suffered as a result of significant cybersecurity events, possible impacts, and measures taken in the most recent year and up to the date of publication of the annual report. If it is not possible to make a reasonable estimate, the Company should state the fact that it is not possible to make a reasonable estimate.

As of the date of publication of the annual report, the Company has not suffered any loss due to a material Cybersecurity Event.

VII. Important Contracts (with a Contract Amount of NT$50 million or More)

The parties, principal contents, restrictive covenants and contractual commencement and expiry dates of the supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts affecting shareholders' rights and interests, which were in effect as of the date of printing of the annual report and will expire in 2023:

Nature	Contracting Party	Commencement/Expiration Dates	Content	Restrictive Clause
Distribution Contract	Tico Inc.	2022.01.01~2023.12.31	Alkaline Ion Water	

Nature	Contracting Party	Commencement/Expiration Dates	Content	Restrictive Clause
Distribution Contract	PX Mart Co., Ltd.	2023.01.01~2023.12.31	Low-sodium Salt, Low-sodium Salt (30% Less Sodium), Iodized High Quality Salt, Iodized Superior Fine Salt, and Original Taste Cooking Sea Salt	
Distribution Contract	Refined salt sales contract with 148 suppliers, including Mingqing Firm	2023.01.01~2023.12.31	Iodized High Quality Salt, Iodized Superior Fine Salt	
Distribution Contract	Fu Chu Vivid Enterprise Co., Ltd.	2022.01.01~2023.12.31	TV Shopping Contract	
Franchise / Duplicate Franchise Agreement	Franchise / Duplicate Franchise	2023.04.01~2023.12.31	Franchise / Duplicate Franchise	
Property Contract	A salt company in Australia	2023.03.01~2025.02.28	Purchase of imported salt	
Property Contract	CPC Corporation	2022.03.18~2025.06.30	Industrial natural gas sale/purchase	
Property Contract	Far Eastern New Century Corporation	Delivery in batches starting from 2023.07.25	Bottled Water Container	Close the case after delivery
Service Contract	Hongmao Express Co., Ltd.	2022.11.15~2023.11.14	Bulk transportation of salt and bottled water	Extended until 2024.02.14
Engineering Contract	Taiyen Green Energy Co.	2022.09.07-2023.07.01	Construction of Ground-mounted Solar Power System in Huashan Section, Luzhu District, Kaohsiung City, Taiwan.	

Chapter VI. Overview of Financial Status

I. Condensed Balance Sheets and Statements of Comprehensive Income for the Past Five Fiscal Years

(I) Condensed Balance Sheets and Statements of Comprehensive Income - IFRS

1. Condensed balance sheets - parent company only

Unit: NT$ thousands

Item \ Year		Financial Information for the Past Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		2,384,498	2,311,809	2,250,467	2,345,050	2,333,877
Property, Plant, and Equipment (Note 2)		3,188,754	3,203,200	3,416,150	3,580,284	3,766,689
Intangible assets		—	—	—	—	—
Other Assets (Note 2)		1,837,836	1,875,412	1,864,268	1,733,267	1,545,335
Total Assets		7,411,088	7,390,421	7,530,885	7,658,601	7,645,901
Current Liabilities	Before distribution	567,331	489,919	598,115	607,194	589,740
	After distribution	867,331	759,919	898,115	907,194	Note 4
Non-Current Liabilities		690,968	671,021	571,596	530,193	564,922
Total Liabilities	Before distribution	1,258,299	1,160,940	1,169,711	1,137,387	1,154,662
	After distribution	1,558,299	1,430,940	1,469,711	1,437,387	Note 4
Equity		6,152,789	6,229,481	6,361,174	6,521,214	6,491,239
Share Capital		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Reserve		2,486,320	2,501,653	2,501,686	2,501,718	2,501,782
Retained Earnings	Before distribution	1,670,108	1,730,822	1,861,645	2,022,490	1,992,837
	After distribution	1,370,108	1,460,822	1,561,645	1,722,490	Note 4
Other Equity		(3,639)	(2,994)	(2,157)	(2,994)	(3,380)
Treasury Stock		—	—	—	—	—
Non-controlling Interests		—	—	—	—	—
Equity Total	Before distribution	6,152,789	6,229,481	6,361,174	6,521,214	6,491,239
	After distribution	5,852,789	5,959,481	6,061,174	6,221,214	Note 4

Note 1: The above financial information has been audited and attested by the CPAs.
Note 2: For any asset revaluation conducted in the year, the date and amount of such asset revaluation should be disclosed.
Note 3: If, before the date of publication of the Annual Report, there is any financial information for the most recent period audited and attested or reviewed by the CPAs, it should also be disclosed..
Note 4: The figures after distribution should be based on the resolution passed in the shareholders' meeting.
Note 5: For the Company having been notified by the authority in charge to revise or correct the financial information, all the figures/numbers used should be the revised or corrected ones, and the status and reasons for such revision or correction should be noted..
Note 6: The Company started to apply the International Accounting Standards approved by the Financial Supervisory Commission on January 1, 2013.

2. Condensed statements of comprehensive income - parent company only

Unit: NT$ thousands, NT$ for earnings per share

Year / Item	Financial Information for the Past Five Years (Note 1)				
	2019	2020	2021	2022	2023
Revenue	2,705,457	2,797,226	2,841,314	3,044,180	3,171,759
Gross Profit	1,128,709	1,222,438	1,212,433	1,217,393	1,326,882
Operating Income	408,609	457,118	449,173	442,291	529,034
Non-operating Income and Expenses	16,670	(4,044)	27,479	85,985	(117,070)
Net Income before Tax	425,279	453,074	476,652	528,276	411,964
Net Income from Continuing Operations	345,503	365,085	393,227	426,704	300,386
Loss from Discontinued Operations(Note 3)	—	—	—	—	—
Net Income (Loss)	345,503	365,085	393,227	426,704	300,386
Other Comprehensive Income (Net, after Tax)	11,663	(3,726)	8,433	33,304	(30,425)
Total Comprehensive Income	357,166	361,359	401,660	460,008	269,961
Earnings per Share	1.73	1.83	1.97	2.13	1.50

Note 1: The above financial information has been audited and attested by the CPAs.

Note 2: If, before the date of publication of the Annual Report, there is any financial information for the most recent period audited and attested or reviewed by the CPAs, it should also be disclosed.

Note 3: Loss from discontinued operations is net after income tax.

Note 4: For the Company having been notified by the authority in charge to revise or correct the financial information, all the figures/numbers used should be the revised or corrected ones, and the status and reasons for such revision or correction should be noted.

Note 5: The Company started to apply the International Accounting Standards approved by the Financial Supervisory Commission on January 1, 2013.

3. Condensed balance sheets - consolidated

Unit: NT$ thousands

Item \ Year		Financial Information for the Past Five Years (Note 1)					Financial Information As of March 31, 2024 (Note 3)
		2019	2020	2021	2022	2023	
Current Assets		2,708,904	2,900,430	3,394,710	3,093,957	3,026,249	2,996,195
Property, Plant, and Equipment (Note 2)		3,273,123	3,301,281	3,516,738	3,674,664	3,872,461	3,868,299
Intangible Assets		—	—	—	—	—	—
Other Assets (Note 2)		1,619,435	1,596,008	1,556,192	1,443,045	1,421,033	1,422,184
Total Assets		7,601,462	7,797,719	8,467,640	8,211,666	8,319,743	8,286,678
Current Liabilities	Before distribution	744,597	694,877	1,305,378	926,049	1,101,026	977,302
	After distribution	1,044,597	964,877	1,605,378	1,226,049	Note 4	—
Non-Current Liabilities		704,076	738,614	648,885	623,713	669,878	674,039
Total Liabilities	Before distribution	1,448,673	1,433,491	1,954,263	1,549,762	1,770,904	1,651,341
	After distribution	1,748,673	1,703,491	2,254,263	1,849,762	Note 4	—
Equity Attributable to Owners of the Parent		6,152,789	6,229,481	6,361,174	6,521,214	6,491,239	6,596,075
Share Capital		2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
Capital Reserve		2,486,320	2,501,653	2,501,686	2,501,718	2,501,782	2,501,830
Retained Earnings	Before distribution	1,670,108	1,730,822	1,861,645	2,022,490	1,992,837	2,097,226
	After distribution	1,370,108	1,460,822	1,561,645	1,722,490	Note 4	—
Other Equity		(3,639)	(2,994)	(2,157)	(2,994)	(3,380)	(2,981)
Treasury Stock		—	—	—	—	—	—
Non-controlling Interests		—	134,747	152,203	140,690	57,600	39,262
Equity Total	Before distribution	6,152,789	6,364,228	6,513,377	6,661,904	6,548,839	6,635,337
	After distribution	5,852,789	6,094,228	6,213,377	6,361,904	Note 4	—

Note 1: The above financial information has been audited and attested by the CPAs.
Note 2: For any asset revaluation conducted in the year, the date and amount of such asset revaluation should be disclosed.
Note 3: If, before the date of publication of the Annual Report, there is any financial information for the most recent period audited and attested or reviewed by the CPAs, it should also be disclosed..
Note 4: The figures after distribution should be based on the resolution passed in the shareholders' meeting.
Note 5: For the Company having been notified by the authority in charge to revise or correct the financial information, all the figures/numbers used should be the revised or corrected ones, and the status and reasons for such revision or correction should be noted..
Note 6: The Company started to apply the International Accounting Standards approved by the Financial Supervisory Commission on January 1, 2013.

4. Condensed statements of comprehensive income - consolidated

Unit: NT$ thousands, NT$ for earnings per share

Item \ Year	Financial Information for the Past Five Years (Note 1)					Financial Information As of March 31, 2024 (Note 2)
	2019	2020	2021	2022	2023	
Revenue	2,906,615	3,130,347	4,095,651	3,613,607	3,408,811	813,297
Gross Profit	1,210,316	1,307,592	1,373,236	1,276,605	1,257,478	333,181
Operating Income	419,758	463,321	529,177	445,050	313,428	88,491
Non-operating Income and Expenses	8,789	718	(19,259)	85,537	15,688	31,777
Net Income before Tax	428,547	464,039	509,918	530,587	329,116	120,268
Net Income from Continuing Operations	345,503	374,589	412,162	427,516	217,296	86,051
Loss from Discontinued Operations(Note 3)	—	—	—	—	—	—
Net Income (Loss)	345,503	374,589	412,162	427,516	217,296	86,051
Other Comprehensive Income (Net, after Tax)	11,663	(3,726)	8,433	33,304	(30,425)	399
Total Comprehensive Income	357,166	370,863	420,595	460,820	186,871	86,450
Net Income Attributable to Owners of the Parent	345,503	365,085	393,227	426,704	300,386	104,389
Net Income Attributable to Non-controlling Interests	—	9,504	18,935	812	(83,090)	(18,338)
Total Comprehensive Income Attributable to Owners of the Parent	357,166	361,359	401,660	460,008	269,961	104,788
Total Comprehensive Income Attributable to Non-controlling Intere	—	9,504	18,935	812	(83,090)	(18,338)
Earnings per Share	1.73	1.83	1.97	2.13	1.50	0.52

Note 1: The above financial information has been audited and attested by the CPAs.
Note 2: If, before the date of publication of the Annual Report, there is any financial information for the most recent period audited and attested or reviewed by the CPAs, it should also be disclosed.
Note 3: Loss from discontinued operations is net after income tax.
Note 4: For the Company having been notified by the authority in charge to revise or correct the financial information, all the figures/numbers used should be the revised or corrected ones, and the status and reasons for such revision or correction should be noted.
Note 5: The Company started to apply the International Accounting Standards approved by the Financial Supervisory Commission on January 1, 2013.

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(II) Name of CPAs and Audit Opinions for the Last Five Years

Year	2019	2020	2021	2022	2023
Accountant Firm	EY Taiwan				
Certified Accountant	Li, Fang-Wen Huang, Shih-Chien	Tseng, Yu-Che Li, Fang-Wen	Tseng, Yu-Che Li, Fang-Wen	Tseng, Yu-Che Li, Fang-Wen	Tseng, Yu-Che Li, Fang-Wen
Audit Opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

II. Financial Analyses for the Past Five Fiscal Years

(I) Financial Analyses - consolidated under IFRS

Item (Note 3)	Year (Note 1.2)	Financial Analyses for the Past Five Fiscal Years					Financial Analyses As of March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial Structure (%)	Debt-asset ratio	19.05	18.38	23.07	18.87	21.28	19.92
	Ratio of long-term capital to property, plant, and equipment	209.48	215.15	203.66	198.26	186.41	188.95
Solvency (%)	Current Ratio	363.80	417.40	260.05	334.10	274.85	306.57
	Quick ratio	313.72	360.39	220.42	282.15	229.89	261.46
	Interest coverage ratio	179.93	129.72	86.81	118.30	99.27	108.00
Operating Ability	Receivables turnover rate (times)	10.05	7.03	6.30	5.13	4.91	4.39
	Average collection days for receivables	36	52	57	71	74	83
	Inventory turnover rate (times)	5.08	5.33	7.11	5.36	4.87	4.44
	Payables turnover rate (times)	14.72	8.91	7.43	5.45	5.72	5.29
	Average days for sale	72	68	51	68	75	82
	Property, plant and equipment turnover rate (times)	0.92	0.95	1.20	1.00	0.90	0.84
	Total asset turnover rate (times)	0.38	0.40	0.50	0.43	0.41	0.39
Profitability	Return on assets (%)	4.65	4.90	5.12	5.16	2.66	1.04
	Return on equity (%)	5.61	5.98	6.40	6.48	3.28	1.30
	Ratio of income before tax to paid-in capital (%) (Note 7)	21.42	23.20	25.49	26.52	16.45	6.01
	Net Profit Margin (％)	11.88	11.96	10.06	11.83	6.37	10.58
	Earnings per share (NT$)	1.73	1.83	1.97	2.13	1.50	0.52
Cash Flow	Cash flow ratio (%)	44.42	48.83	45.96	62.70	41.28	6.09
	Cash flow adequacy ratio (%)	83.75	75.56	68.60	72.21	71.28	N/A
	Cash flow reinvestment ratio (%)	(0.36)	0.46	3.81	3.13	1.71	N/A
Leverage	Operating leverage	2.92	2.80	2.68	3.01	3.87	3.36
	Financial leverage	1.00	1.00	1.01	1.01	1.01	1.01

Reasons for changes in financial ratios by 20% or more for the most recent two years:

1. Return on assets: The ratio decreased by 48% from 2023 compared to 2022, primarily due to the decrease in net income.
2. Return on equity: The ratio decreased by 49% from 2023 compared to 2022, primarily due to the decrease in net income.
3. Income before tax as a percentage of paid-in capital: The ratio decrease by 38% from 2023 compared to 2022, primarily due to a decrease in net income before tax.
4. Net income ratio: The ratio decrease by 46% from 2023 compared to 2022, primarily due to the decrease in net income.
5. Earnings per share: The decreased of 30% in 2023 compared to 2022, primarily due to the decrease in net income.
6. Cash flow ratio: The ratio decreased by 34% from 2023 compared to 2022, primarily due to the decrease in net cash flows from operating activities and the increase in short-term borrowings and other current liabilities.
7. Cash reinvestment ratio: The ratio decreased by 45% from 2023 compared to 2022, primarily due to the decrease in net cash flows from operating activities.
8. Operating leverage: The increase of 29% in 2023 compared to 2022, primarily due to a decrease in operating income.

(II) Financial Analyses - parent company only under IFRS

Item (Note 3) \ Year (Note 1)		Financial Analyses for the Past Five Fiscal Years				
		2019	2020	2021	2022	: 2023
Financial Structure (%)	Debt-asset ratio	16.97	15.70	15.53	14.85	15.10
	Ratio of long-term capital to property, plant, and equipment	214.62	215.42	202.94	196.95	187.33
Solvency ％	Current Ratio	420.30	471.87	376.25	386.21	395.74
	Quick ratio	359.47	404.48	318.29	316.75	315.44
	Interest coverage ratio	193.17	201.03	254.67	772.20	590.36
Operating Ability	Receivables turnover rate (times)	16.01	16.18	17.07	18.08	19.14
	Average collection days for receivables	23	23	21	20	19
	Inventory turnover rate (times)	4.75	4.62	4.64	4.54	4.20
	Payables turnover rate (times)	16.90	13.91	11.35	10.11	11.21
	Average days for sale	77	79	78	80	87
	Property, plant and equipment turnover rate (times)	0.86	0.87	0.85	0.87	0.86
	Total asset turnover rate (times)	0.36	0.37	0.38	0.40	0.41
Profitability	Return on assets (%)	4.74	4.95	5.29	5.62	3.93
	Return on equity (%)	5.61	5.89	6.24	6.62	4.61
	Ratio of income before tax to paid-in capital (%) (Note 7)	21.26	22.65	23.83	26.41	20.59
	Net Profit Margin (％）	12.77	13.05	13.83	14.01	9.47
	Earnings per share (NT$)	1.73	1.83	1.97	2.13	1.50
Cash Flow	Cash flow ratio (%)	79.00	104.43	97.46	87.20	86.75
	Cash flow adequacy ratio (%)	91.66	89.16	81.97	81.20	83.38
	Cash reinvestment ratio (%)	1.09	2.56	3.72	2.63	2.39
Leverage	Operating leverage	2.85	2.69	2.75	2.82	2.56
	Financial leverage	1.00	1.00	1.00	1.00	1.00

Reasons for changes in financial ratios by 20% or more for the most recent two years:
1. Interest Coverage Multiple: The ratio decreased by 24% from 2023 compared to 2022, primarily due to the decrease in net income before tax.
2. Return on assets: The ratio decreased by 30% from 2023 compared to 2022, primarily due to the decrease in net income.
3. Return on equity: The ratio decreased by 30% from 2023 compared to 2022, primarily due to the decrease in net income.
4. Income before tax as a percentage of paid-in capital: The ratio decreased by 22% from 2023 compared to 2022, primarily due to a decrease in net income before tax.
5. Net income ratio: The ratio decrease by 32% from 2023 compared to 2022, primarily due to the decrease in net income.
6. Earnings per share: The decreased of 30% in 2023 compared to 2022, primarily due to the decrease in net income.

Note 1: The above financial information has been audited and attested by the CPAs.

Note 2: If, before the date of publication of the Annual Report, there is any financial information for the most recent period audited and attested or reviewed by the CPAs, it should also be analyzed.

Note 3: The following formulas should be listed at the end of this table:

1. Financial Structure
   (1) Debt-asset ratio = Total liabilities / Total assets.
   (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + Non-current liabilities) / Net value of property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets / Current liabilities.
   (2) Quick ratio = (Current assets–Inventory–Prepaid expenses) / Current liabilities.
   (3) Interest coverage ratio = Income before income tax and interest expenses / Current interest expenses.
3. Operating Ability
   (1) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = Net sales / Average receivables (including accounts receivable and notes receivable arising from business operations) for each period.
   (2) Average collection days for receivables = 365 / Receivables turnover rate.
   (3) Inventory turnover rate = Cost of sales / Average inventory.
   (4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = Cost of sales / Average payables (including accounts payable and notes payable arising from business operations) for each period.
   (5) Average days of sale = 365 / Inventory turnover rate.
   (6) Property, plant, and equipment turnover = Net sales / Average net value of property, plant, and equipment.
   (7) Total asset turnover rate = Net sales / Average total assets.
4. Profitability
   (1) Return on assets = [Net income + Interest expenses (1- Tax rate)] / Average total assets.
   (2) Return on equity = Net income / Average total equity.
   (3) Net profit margin = Net income / Net sales.
   (4) Earnings per share = (Income attributable to owners of the parent – Dividends on preferred shares) / Weighted average number of issued shares. (Note 4)
5. Cash Flow
   (1) Cash flow ratio = Net cash flows from operating activities / Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flows from operating activities for the most recent five years / (Capital expenditures + Inventory increase + Cash dividends).
   (3) Cash flow reinvestment ratio = (Net cash flows from operating activities–Cash dividends) / Gross value of property, plant, and equipment + Long-term investment + Other non-current assets + Working capital). (Note 5)
6. Leverage
   (1) Operating leverage = (Net revenue–Variable operating costs and expenses) / Operating income (Note 6).
   (2) Financial leverage = Operating income / (Operating income / Interest expenses).

Note 4: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

1. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.
2. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation should be considered in calculating the weighted average number of shares.
3. In the case of capital increase out of earnings or capital reserve, the calculation of earnings per share for the past fiscal year and the fiscal half-year should be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) should be subtracted from the net income after tax, or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares should be subtracted from the net income after tax; if there is loss, then no adjustment needs to be made.

Note 5: Give special attention to the following matters when carrying out cash flow analysis:

1. Net cash flows from operating activities mean net cash in-flow amounts from operating activities listed in the statement of cash flows.

2. Capital expenditures mean the amounts of cash out-flows for annual capital investment.
3. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.
4. Cash dividends include cash dividends from both common shares and preferred shares.
5. Gross value of property, plant, and equipment means the total value of property, plant, and equipment prior to the subtraction of accumulated depreciation.

Note 6: Issuers should separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 7: In the case of a company whose shares have no par value or have a par value other than NT$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet should be substituted.

III. Audit Committee's Review Report on the

Financial Statements for the Most Recent Fiscal Year

Taiyen Biotech Co., Ltd.

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Earnings Distribution Plan, and Financial Statements. Of these items, the Financial Statements have been audited by CPAs Tseng, Yu-Chu and Lee, Fang-Wen from EY Taiwan. The Audit Committee has reviewed the aforementioned financial statements and documents, and concluded all information is presented fairly. We hereby submit this report pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

To:
2024 General Shareholders' Meeting of Taiyen Biotech Co., Ltd.

Taiyen Biotech Co., Ltd.

Convener of Audit Committee: Chialing Lee

March 11, 2024

IV. Financial Statements for the Most Recent Fiscal Year

Please refer to the CPA's 2023 Financial Report.

V. Consolidated Financial Statements for the Most Recent Fiscal Year, Certified by CPAs.

Please refer to the Consolidated Statements of Parent and Subsidiaries audited and certified by the Accountants for the year 2023.

VI. Any Financial Difficulties Experienced by the Company or Its Affiliates in the Most Recent Fiscal Year and during the Current Fiscal Year up to the Date of Publication of the Annual Report, and How Said Difficulties Will Affect the Company's Financial Situation

There were no financial difficulties in 2023 and as of the printing date of the annual report.

VII. Other Notes to Financial Statements

None.

Chapter VII. Review and Analysis of Financial Condition and Financial Performance, and Assessment of Risks

I. Financial Situation

Unit: NT$ thousands

Item \ Year	2023	2022	Variation	
			Amount	%
Current assets	3,026,249	3,093,957	(67,708)	(2.19)
Fixed Assets	3,872,461	3,674,664	197,797	5.38
Other Assets (Including Intangible Assets, Long-term Investments, and Other Non-current Financial Assets)	1,421,033	1,443,045	(22,012)	(1.53)
Total Assets	8,319,743	8,211,666	108,077	1.32
Current Liabilities	1,101,026	926,049	174,977	18.90
Long-term Liabilities (Including Provisions and Other Liabilities)	669,878	623,713	46,165	7.40
Total Liabilities	1,770,904	1,549,762	221,142	14.27
Share Capital	2,000,000	2,000,000	—	—
Capital Reserve	2,501,782	2,501,718	64	—
Retained Earnings	1,992,837	2,022,490	(29,653)	(1.47)
Other Equity Interest	(3,380)	(2,994)	(386)	(12.89)
Treasury Stock	—	—	—	—
Non-controlling Interests	57,600	140,690	(83,090)	(59.06)
Total Equity	6,548,839	6,661,904	(113,065)	(1.70)

Analysis of variation by 20% above:

1. Non-controlling interests: The decrease of 59.06% in 2023 compared to 2022 was mainly due to the increase in net loss of non-controlling interests.

II. Financial Performance

(I) Main Reasons for Any Material change in Revenue, Operating income, and Income before Tax during the Past Two Fiscal Years

Unit: NT$ thousands

	2023		2022		Increase(Decrease)	Change
	Subtotal	Total	Subtotal	Total	Amount	Percentage (%)
Net Revenue		3,408,811		3,613,607	(204,796)	(5.67)
Operating cost		2,151,333		2,337,002	(185,669)	(7.94)
Gross Profit		1,257,478		1,276,605	(19,127)	(1.50)
Operating Expenses		944,050		831,555	112,495	13.53
Operating Income		313,428		445,050	(131,622)	(29.57)
Non-operating income and expenses		15,688		85,537	(69,849)	(81.66)
Other Income	113,038		121,579			
Finance costs	(3,349)		(4,523)			
Other Gains and Losses	(94,001)		(31,519)			
Share of Income of Associates Accounted for Using Equity Method	-		-			
Net Income before Tax		329,116		530,587	(201,471)	(37.97)
Income Tax Expense		111,820		103,071	8749	8.49
Net Income		217,296		427,516	(210,220)	(49.17)
Other comprehensive profit and loss						
Other Comprehensive Income (Net, after Tax)		(30,425)		33,304	(63,729)	(191.36)
Total Comprehensive Income		$186,871		$460,820	(273,949)	(59.45)
Net Income Attributable to Stockholders of the parent		$300,386		$426,704	(126,318)	(29.60)
Comprehensive Income Attributable to Stockholders of the parent		$269,961		$460,008	(190,047)	(41.31)

Analysis of variation by 20% above:

1. Operating income: The decrease in 2023 compared to 2022 was mainly due to the increase in expected credit loss in the current year.
2. Non-operating income and expenses: The decrease in 2023 compared to 2022 was mainly due

to the increase in foreign currency exchange losses in the current year. 3. Income before income tax and net income for the year: The decrease in 2023 compared to 2022 was mainly due to the decrease in operating income and non-operating income and expenses. 4. Other consolidated profit and loss (net of tax) for the period: The decrease in 2023 compared to 2022 was mainly due to the increase in the remeasurement loss of defined benefit plans. 5. Total Comprehensive Income, net income attributable to stockholders of the parentr, and comprehensive income attributable to stockholders of the parent: The decrease in 2023 compared to 2022 was mainly due to the decrease in net income.

(II) Sales Volume Forecast and Basis

With reference to reasonable assumptions such as the overall industry outlook and development trend and operating results over the years, the Company has formulated the expected sales volume in 2024 based on its business strategy and the operating targets and budgets of each unit. The sales volume forecast is as follows:

Year / Item	Sales Volume Forecast for 2024	Unit
Salt	Approx. 260,000	Metric ton
Bottled Water	Approx. 100,000	Metric tons
Cosmetics	Approx. 530,000	Bottle/Box/Set
Cleaning Products	Approx. 2,700,000	Bottle/Box/Set
Health Food	Approx. 1,330,000	Bottle/Box/Set

(III) Effect upon the Financial Operations and Measures to Be Taken in Response

In addition to expanding the scale of business, the Company is committed to adjusting the financial structure and stabilizing financial ratios. In 2023, the current ratio and quick ratio were 274.85% and 229.89% respectively. With the stable and sound financial structure, the Company is poised to advance business growth.

III. Cash Flow

(I) Analysis of Changes in Cash Flow for the Most Recent Year

Year / Item	2023	2022	Increase(Decrease) Percentage (%)
Cash Flow Ratio(%)	41.28	62.70	(34)
Cash Flow Adequacy Ratio(%)	71.28	72.21	(1)
Cash Flow Reinvestment Ratio (%)	1.71	3.13	(45)
Analysis of any change by 20% or more: 1.Cash flow ratio: The ratio increase by 34% from 2023 compared to 2022, primarily due to the decrease in net cash flows from operating activities and the increase in short-term borrowings and other current liabilities. 2.Cash reinvestment ratio: The ratio decreased by 45% from 2023 compared to 2022, primarily due to the decrease in net cash flows from operating activities.			

(II) Liquidity Analysis for the Coming Year

Unit: NT$ thousands

Cash Balance, Beginning of Period (1)	Expected Net Cash Flows from Operating Activities in 2024 (2)	Expected Cash Flows Used in 2024 (3)	Expected Cash Surplus (Deficit) (1)+(2)-(3)	Expected Corrective Measures for Cash Deficit	
				Investment Plans	Financing Plans
1,444,734	686,100	810,382	1,320,452	—	—

Note:
1. Analysis of changes in cash flow for the coming year:
   (1) Operating activities: Net cash inflows generated from operating activities, NT$686,100 thousand, will be mainly due to cash flows generated from net profits in 2024.
   (2) Investing activities: Net cash outflows will be used in investing activities due to the purchase of fixed assets.
   (3) Fund-raising activities: Net cash outflows used in financing activities will be mainly due to the distribution of cash dividends for 2024.
2. Expected corrective measures for cash deficit and liquidity analysis: N/A.

IV. Effect Upon Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

(I) Use of Major Capital Expenditures and Source of Funds

Unit: NT$ thousands

Project	Actual or Anticipated Sources of Funding	Actual or Expected Date of Completion	Total Funding Required	Actual or Expected Use of Funds					
				2019	2020	2021	2022	2023	2024
Cogeneration Plant	Working capital	2024	625,000	88,575	45,479	147,180	138,257	48,254	157,255

(II) Expected Benefits

The cogeneration system in the Tung-Hsiao Electrodialysis Refined Salt Factory is an important facility for the Company to produce refined salt and bottled water through electrodialysis. In 2023, revenue reached NT$3,408,811 thousand, to which refined salt contributed NT$836,758 thousand (25%) and bottled water contributed NT$1,061,082 thousand (31%). If the cogeneration system fails, resulting in the failure of the smooth production of salt and bottled water, the Company's revenue will be affected by as much as 56%, which may cause a shortage of domestic food-grade salt.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

Item \ Description	Amount (NT$1,000)	Policies	Main reasons for profit or loss	Improvement Plan	Future Investment Plans
Taiyen Biotech	NT$49,541	Holding	A company was	The indirect	None

Item \ Description	Amount (NT$1,000)	Policies	Main reasons for profit or loss	Improvement Plan	Future Investment Plans
(Samoa) Co., Ltd.	thousand	company	established in China in 2010. In recent years, China has experienced changes in relevant laws and regulations, product specifications, and market conditions, resulting in losses. In 2020, the company actively developed customers, strengthened its import/export, and effectively reduced costs to turn losses into profits.	investment in China will continue to expand market share and increase profits.	
Taiyen Green Energy Co., Ltd.	NT$235,616 thousand	Green energy industry	In 2023, the loss amounted to NT$247,213 thousand, which was mainly due to the additional payment for the tentative project estimate and the provision for expected impairment loss on contract assets and accounts receivable.	1. Newly added the carbon checking business. 2. Accelerated the co-development of 80 hectares of Cigu area and 102 hectares of Xiashanzilio for construction of a solar power plant in Beimen Duotou.	None

VI. Listing of Risks

The following matters during the most recent fiscal year and as of the date of publication of the Annual Report should be analyzed and assessed:

(I) Effect of Interest and Exchange Rate Fluctuations and Inflation on the Company's Profit or Loss, and Measures to Be Taken in Response

To effectively reduce the impact of exchange rate changes on revenue and profits, the Company constantly collects information about exchange rate changes and takes the following measures to reduce the risk of exchange rate changes:

1. The Company consults foreign banks about foreign exchange hedges.
2. Business units consider exchange rates when buying and quoting.

The Company also pays attention to relevant information such as changes in interest rates and inflation at any time.

(II) Policies on High-risk, Highly Leveraged Investments, Lending of Funds to Other Parties, Making of Endorsements/Guarantees, and Derivatives Trading, Main Reasons for Profits/Losses Generated Thereby, and Measures to Be Taken in Response

1. At present, the Company does not engage in and does not plan to engage in high-risk, highly leveraged investments, leading of fund to others, and/or making of endorsements/guarantees.
2. The Company will keep abreast of foreign exchange market changes and take appropriate measures to minimize the impact of exchange rate changes.

(III) Future Research and Development Plans and Expected Expenditures on Future Research and Development

1. Current research and development plans and progress

Plan	Progress	Expected Expenditure (NT$1,000)	Expected Mass Production Time	Key to Future Success in R&D
Development and efficacy study of maintenance and cleansing products	Product formulation design and development in accordance with the Company's plan, with progress reaching 20%.	4,050	2024.12	1. The safety and efficacy of the formulas meet the expected standards. 2. New products meet market trends and needs of channels.
Salt and health food product development and efficacy research.	Product formulation design and development in accordance with the Company's plan, with progress reaching 20%.	2,355	2024.12	1. In line with healthcare market trends and food culture trends. 2.Processed and costs are well controlled.
Trend dosage form and product technology construction, as well as new material development and validation.	Progress: 20%	6,500	2024.12	1.Innovation and efficiency improvement 2.Cost control 3.Products meet consumer needs.
Establishment and application of key technology platforms	Implementation progress 15%	600	113.12	1. Verification proves that the technology meets the standard.

2. Future research and development plans
   (1) Development of health products, cleaning products, skin care products, salt, and seasonings and efficacy verification.
   (2) Development of ingredients for skin care products, cleaning products, and health products.
3. Estimated R&D expenses: In 2024, the R&D programme expenses are estimated to be NT$15,957 thousand.

(IV) Effect of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad on the Company' s Financial Operations and Measures to Be Taken in Response

1. The Company has formulated the "Procedures for Loaning of Funds to Others" and

"Procedures for Provision of Endorsements/Guarantees" in accordance with the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" enacted by the Securities and Futures Bureau and the "Procedures for Acquisition or Disposal of Assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" enacted by the Financial Supervisory Commission to reduce the market risk, financial risk, liquidity risk, credit risk and other related risks.

2. According to the Presidential Order Hua-Tsung-Yi-Yi No. 09300010091, the "Salt Management Regulations" was abolished on January 20, 2004, allowing salt to be freely managed and competed. It has an impact on the Company's operations in terms of industrial salt or food-grade salt. In response to this competition, the Company will adjust the marketing strategy flexibly to secure our share in the domestic salt market.

(V) The impact of technological changes (including Cybersecurity risks) and industry changes on the Company's financial business and the measures to address them:

The trend of using new media has changed the channels and ways in which consumers receive information. In order to cope with the changes brought by this new communication technology, the Company will strengthen the use of new media (FB, IG, Line, Youtube) to communicate with the new generation of consumers, in order to attract the young generation of consumers to become a loyal consumer group.

(VI) Effect of Changes in the Corporate Image on the Company's Crisis Management and Measures to Be Taken in Response

Since privatization in 2003, the Company has been committed to establishing long-term relationships with employees and communities while maintaining stable business operations. We have supported disadvantaged groups and participated in philanthropic activities to establish a good corporate image. We are constantly improving our internal control to achieve the best crisis management. In case of any crisis, the Company will immediately convene a meeting of the contingency team to draw up countermeasures, so as to minimize potential negative impacts.

(VII) Expected Benefits and Possible Risks Associated with Mergers and Acquisitions and Measures to Be Taken in Response

In the most recent year and as of the date of publication of the Annual Report, the Company had no merger/acquisition plan. When making any merger/acquisition plans, the Company will carefully evaluate and consider the effects of the mergers/acquisitions to ensure the original shareholders' rights and interests.

(VIII) Expected Benefits and Possible Risks Associated with Plant Expansion and Measures to Be Taken in Response: None.

(IX) Risks Associated with Consolidation of Purchasing or Sales Operations and Measures to Be Taken in Response

The customer (105366)took more than 10% of net turnover from the Company in 2023. Revenue is expected to continue to grow. TPD00004 and D03522*** accounted for 32% and 20%, respectively, of total purchases in 2023. However, both of them execute and maintain the purchase of goods according to long-term contracts, and there is no risk of over-concentration.

(X) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to Directors, Supervisors, or Shareholders Holding Greater than a 10% Stake Has Been

Transferred or Has Otherwise Changed Hands and Measures to Be Taken in Response
Except for the Ministry of Economic Affairs, which is the major shareholder holding more than 10% of the shares of the Company, our directors and supervisors hold less than 10% of the shares. As a result, there was no significant impact on the Company.

(XI) Effect on and Risk to the Company Associated with Changes in Management Rights and Measures to Be Taken in Response: N/A.

(XII) Litigious or Non-litigious Matters

(List major litigious, non-litigious or administrative disputes that: (1) involve the Company and/or any director, supervisor, managerial officer, person with actual responsibility, major shareholder holding a stake of greater than 10%, and/or company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the Annual Report should be disclosed.)

1. Major litigious, non-litigious or administrative disputes that: (1) involve the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the Annual Report: None.
2. Major litigious, non-litigious or administrative disputes that: (1) involve any of the Company's director, supervisor, managerial officer, person with actual responsibility, major shareholder holding a stake of greater than 10%, and/or company or companies controlled by the Company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the Annual Report: None.

(XIII) Organizational structure for risk management

Based on the nature of business, each unit in charge is responsible for managing operational risks. The Auditing Office is responsible for making the risk-based audit plan and reviewing the existing or potential operational risks. The units in charge and responsibilities are as follows:

1. President’s Office: Responsible for making business decisions, supervising and coordinating related matters of departments, and ensuring operational effectiveness and efficiency to reduce strategic risks.
2. Legal Affairs Office: Responsible for managing legal risks and handling contracts and litigation disputes to reduce legal risks.
3. Occupational Safety and Health Office: Responsible for managing occupational safety and health, formulating safety and health policies, and supervising implementation to ensure labor safety and health and to reduce

the risks and losses arising from occupational disasters.

4. General Affairs Department: Responsible for managing and developing human resources, formulating and implementing human resources policies, and reducing human resources risks; responsible for improving procurement benefits to reduce procurement risks; and responsible for handling cash operations under the risk control and monitoring system, paying attention to safety, and establishing a hedging mechanism to reduce cash risks.
5. Financial Accounting Department: Responsible for formulating, implementing, and improving accounting systems, analyzing operating benefits, and ensuring the reliability of financial reporting; responsible for financial planning and application under the risk control and monitoring system, paying attention to safety, liquidity, and profitability, and establishing a hedging mechanism to reduce financial risks; and responsible for planning and handling asset activation to increase asset value and to reduce asset management risks.
6. Corporate Development Department: Responsible for making business decisions and evaluating medium and long-term return on investment to reduce strategic investment risks; responsible for managing Cybersecurity and taking protective measures to reduce Cybersecurity risks; and responsible for managing production technology, quality, and production and sales to reduce production risks.
7. Salt and Water Business Division: Responsible for planning the expansion, sales, and management of salt and bottled water, collecting and analyzing business information, and planning and executing promotions; responsible for proposing and launching new products, managing domestic and foreign channels; and responsible for developing and managing customers to reduce operational risks.
8. Biotech Business Division: Responsible for planning the expansion, sales, and management of biotech products, collecting and analyzing business information, and planning and executing promotions; responsible for proposing and launching new products, managing domestic and foreign channels; and responsible for developing and managing customers to reduce operational risks.
9. Branding and Marketing Department: Responsible for planning and managing brand strategies for various products, conducting and analyzing market and consumer behavior surveys, and handling visual design and application of products and the corporate image;

responsible for making media marketing plans and managing the corporate image and public relations to reduce the risks of brand value or goodwill impairment.

10. R & D Department: Responsible for making, proposing, executing, and managing research plans, conducting the test run on new products, and developing key raw materials; responsible for analyzing, following up, handling, and improving quality abnormalities and customer complaints to reduce R&D risks.

(XIV) Other Important Risks: None.

VII. Other Important Matters

Key Performance Indicator (KPI)

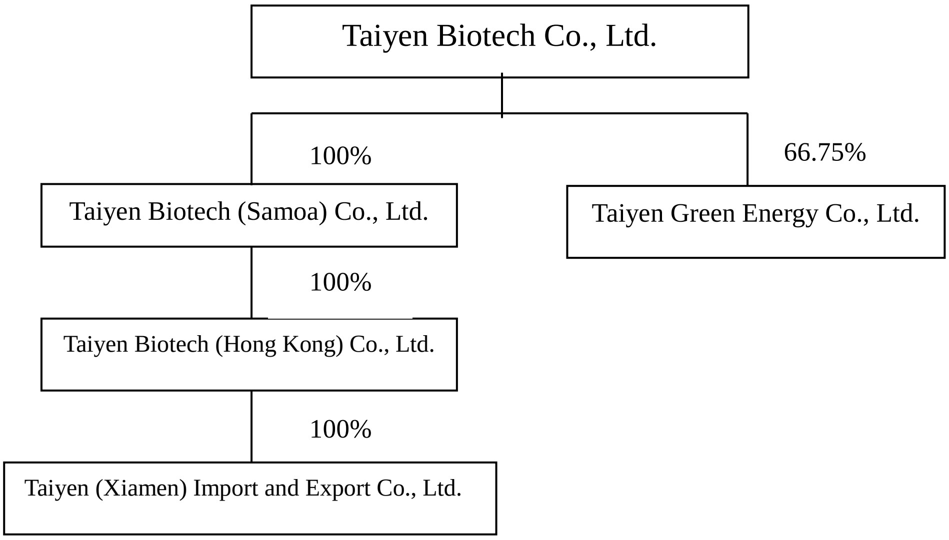
As the parent company falls into a manufacturing industry and operates a biotech chain "receivables turnover rate" is an important indicator for the use of the Company's funds.The receivables turnover rate for 2023 and 2022 was 19.14 and 18.08 respectively, and the number of average collection days for receivables was 19 and 20 respectively. The number of new products launched and market share are non-financial KPIs in the industry into which the Company falls.

Chapter VIII. Special Disclosure

I. Information on Affiliates

(I) Consolidated Business Report Covering Affiliates

1. Organizational chart of affiliates



2. Basic information on affiliates

Company Name	Date of Establishment	Address	Paid-in Capital	Major Lines of Business or Production
Taiyen Biotech (Samoa) Co., Ltd.	2009.07.28	Novasage Chambers, PO Box 3018, Level 2 CCCS Building, Beach Road, Apia, Samoa	US$1.6 million	Reinvestment
Taiyen Biotech (Hong Kong) Co., Ltd.	2009.09.24	Room 2701, 27/F, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong	US$1.6 million	Reinvestment
Taiyen (Xiamen) Import and Export Co., Ltd.	2010.03.09	Unit A03, 5F, Taiwan Chamber of Commerce Building, No. 860, Xianyue Road, Huli District, Xiamen City	US$1.6 million	Trading and import/export of commodities
Taiyen Green Energy Co., Ltd.	2017.03.13	No. 360, Gaofa 2nd Road, Gueiren District, Tainan City, Taiwan	NT$371 million	Green energy related business

3. Same shareholders under presumption of a relationship of control or subordination: None.

4. Industries covered by the overall business operated by affiliates
   Industries covered by the overall business operated by affiliates include the sale of the Company's products and solar photovoltaic business.

5.Information on Directors, Supervisors and General Managers of Affiliates

2024.02.29

Affiliate	Title	Name or Representative	Shareholding	
			Number of Shares	Shareholding (%)
Taiyen Biotech (Samoa) Co., Ltd.	Director	Representative of Taiyen Biotech Co., Ltd.: Chen, Shi-Hui	1,600,000	100%
Taiyen Biotech (Hong Kong) Co., Ltd.	Director Director Director	Taiyen Biotech (Samoa) Co., Ltd. Chen, Shi-Hui Li, Chieh-Han Su Wei	1,600,000	100%
Taiyen (Xiamen) Import and Export Co., Ltd.	Chairman Director Director Supervisor President	Representative of Taiyen Biotech Co., Ltd.: Chen, Shi-Hui Representative of Taiyen Biotech Co., Ltd.: Huang, Keng-Hsien Representative of Taiyen Biotech Co., Ltd.: SU, CHUN-JEN Representative of Taiyen Biotech Co., Ltd.: TSAI, LIANG-YI Huang, Keng-Hsien	—	100%
Taiyen Green Energy Co., Ltd.	Chairman Director Director Director Director Supervisor Supervisor President	Representative of Taiyen Biotech Co., Ltd.: WU, KUO-CHING Representative of Taiyen Biotech Co., Ltd.: Chen, Shi-Hui Representative of Taiyen Biotech Co., Ltd.: Li, Chieh-Han Representative of Taiyen Biotech Co., Ltd.: CHANG, YUAN-SSU Chengyang Optoelectronic Technology Co. Yang, Tung-Hsuan Su Wei WU, PO-HSIN	24,740,000	66.75%

6. Overview of business operations of affiliates

Unit: NT$thousands

Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Revenue	Operating Income	Profit and Loss for the Current Period	Earnings per Share (NT$)
Taiyen Biotech (Samoa) Co., Ltd.	US$1.6 million	20,943	—	20,943	—	—	2,222	—
Taiyen Biotech (Hong Kong) Co., Ltd.	US$1.6 million	20,943	—	20,943	—	—	2,222	—
Taiyen (Xiamen) Import and Export Co., Ltd.	US$1.6 million	21,660	717	20,943	20,039	2152	2,222	—
Taiyen Green Energy Co., Ltd.	NT$371 million	807,881	631,957	175,924	319,249	(217,108)	(247,213)	(6.67)

7. Lending of funds to other parties, making of endorsements/guarantees, and derivatives

trading: None.

(II) Consolidated Financial Statements of Affiliates

Please refer to the Consolidated Statements of Parent and Subsidiaries audited and certified by the Accountants for the year 2023.

II. Private Placement of Securities during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

(The date and amount approved at the shareholders' meeting, the basis and reasonableness of the price setting, the method of selecting the specific person, and the necessary reasons for the private placement, as well as the use of the funds for the private placement of marketable securities and the progress of the implementation of the plan from the time of receipt of the full amount of the shares or the price to the completion of the plan for the use of the funds should be disclosed.)

N/A.

III. Holding or Disposal of Shares in the Company by Subsidiaries during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report

N/A.

IV. Other Supplementary Information

Statutory certificates obtained by personnel in relation to the transparency of financial information such as internal auditors, financial officers, and accountants (statutory certification refers to internal control proficiency tests organized by the Securities & Futures Institute, international internal auditor tests organized by the Institute of Internal Auditors-Chinese, and proficiency tests for CPAs, lawyers, securities and futures professionals, and shareholder service professionals) (This indicator is related to the transparency of the Company's employee quality):

Number of attorneys of the Republic of China: 1 in Auditing Office and 1 in Legal Affairs Office.

Number of certified public accounts of the Republic of China: 3 in Financial Accounting Department.

V. Explanation of Any Material Differences from the Rules of the R.O.C. in Relation to the Protection of Shareholder Equity

N/A.

Chapter IX. Any Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of Securities Occurring during the Most Recent Fiscal Year or during the Current Fiscal Year up to the Date of Publication of the Annual Report: N/A.

Financial Statements for the Most Recent Fiscal Year:

Appendix I. Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditor's' Report

Appendix II. Consolidated Financial Statements for the of December 31, 2023 and 2022 and Independent Auditor's' Report

1737

TAIYEN BIOTECH CO., LTD.

PARENT COMPANY ONLY

FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

WITH

REPORT OF INDEPENDENT AUDITORS

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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	ITEMS	2023.1.1~ 2023.12.31	2022.1.1~ 2022.12.31
Cash flows from operating activities:			Cash flows from investing activities		
Net income before tax	$411,964	$528,276	Proceeds from disposal of financial assets at fair value through other comprehensive income	-	1,266
Adjustments for:			Acquisition of financial assets at fair value through profit or loss	(30,000)	-
Income and expense adjustments:			Acquisition of property, plant and equipment	(320,764)	(243,202)
Depreciation	174,558	171,445	Increase in refundable deposits	-	(906)
Amortization	10,658	10,552	Decrease in refundable deposits	212	-
Net (losses) gains on financial assets at fair value through profit or loss	(7,434)	360	Acquisition of intangible assets	(1,432)	(395)
Interest expense	699	685	Interest received	34,498	17,467
Interest revenue	(35,519)	(17,648)	Net cash used in investing activities	(317,486)	(225,770)
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	Cash flows from financing activities		
Losses on disposals of investment properties	-	2	Increase in guarantee deposits	18,439	20,926
Losses on disaster	4,134	5,538	Cash payments for the principle portion of the lease liabilities	(6,436)	(6,458)
Changes in operating assets and liabilities:			Cash dividends	(300,000)	(300,000)
Notes receivable, net	(650)	519	Other changes in capital surplus	64	32
Trade receivables, net	8,860	(3,393)	Net cash used in financing activities	(287,933)	(285,500)
Inventories	(7,330)	(83,996)			
Other current assets	(60,544)	(3,586)	Net (decrease) increase in cash and cash equivalents	(93,763)	18,251
Contract liabilities	(12,719)	9,658	Cash and cash equivalents at the beginning of year	1,393,693	1,375,442
Notes payable	(39,377)	18,174	Cash and cash equivalents at the end of year	$1,299,930	$1,393,693
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			

English Translation of Financial Statements Originally Issued in Chinese

TAIYEN BIOTECH CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the Years Ended 31 December 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Stated)

I. HISTORY AND ORGANIZATION

1. Taiyen Biotech Co., Ltd. (the “Company”), formerly known as China Salt Company, was reorganized into a state-owned salt factory of Taiwan in 1951 and restructured into the main salt factory of Taiwan in 1952, which was under the charge of the Ministry of Economic Affairs. In 1995, the main salt factory was restructured and renamed as Taiyen Biotech Co., Ltd. As of 31 December 2023 and 2022, the Ministry of Economic Affairs held 38.88% ownership of Taiyen Biotech Co., Ltd. The Company’s registered office and the main business location is at No.297, Sec. 1, Chien-Kang Rd., South District, Tainan, Republic of China (R.O.C.).

2. The Company became a listed company on the Taiwan Stock Exchange on 18 November 2003.

3. Current main business item:
   (1) Production, sales, import and export of the following products, by-products and their derivatives:
      A. Various salt products
      B. Various seawater chemical products
      C. Bath salt, bath salt milk, salt soap, algae soap, and shampoo
      D. Beverage and drinking water
      E. Toothpaste, salt mouthwash, and contact lenses maintenance liquid
      F. Salt for washing vegetable, fruits and others
      G. Food and food additives
      H. Pharmaceuticals
      I. Cosmetics manufacturing
      J. Environmental medicine manufacturing
   (2) Sales, import and export of daily necessities and cosmetic products
   (3) Supply, introduction and management consulting of domestic and foreign industrial salt technology

II. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements of the Company for the years ended 31 December 2023 and 2022 were authorized for issue by the Board of Directors on 11 March 2024.

III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments

   The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. The application of these new standards and amendments had no material impact on the Company.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
2	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
3	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
4	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(1) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(2) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(3) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(4) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024 and have no material impact on the Company.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 "Insurance Contracts"	1 January 2023
3	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(1) IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(2) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(3) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Company determined that the newly published standards and interpretations have no material impact on the Company.

IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1. Statement of compliance

The Company’s parent company only financial statements for the years ended 31 December 2023 and 2022 have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

2. Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars("NT$") unless otherwise stated.

3. Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Company determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(2) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

4. Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(1) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(2) when the retained interest after the partial disposal of an interest in a joint arrangement or partial disposal of an interest in an associate that includes a foreign operation is financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

5. Current and non-current distinction

An asset is classified as current when:
(1) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

(2) The Company holds the asset primarily for the purpose of trading
(3) The Company expects to realize the asset within twelve months after the reporting period
(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:
(1) The Company expects to settle the liability in its normal operating cycle
(2) The Company holds the liability primarily for the purpose of trading
(3) The liability is due to be settled within twelve months after the reporting period
(4) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

6. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

7. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Company's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:
A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposing of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions

The loss allowance is measures as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired.
B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

<u>Classification between liabilities or equity</u>

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

<u>Financial liabilities</u>

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

<u>Financial liabilities at amortized cost</u>

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

8. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(1) In the principal market for the asset or liability, or
(2) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

9. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:
Raw materials – Purchase cost on a weighted average basis
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

10. Investments accounted for using the equity method

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Company's percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates *and* Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

(1) Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(2) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

11. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3~40 years
Buildings	2~65 years
Machinery and equipment	2~50 years
Transportation equipment	2~20 years
Other equipment	2~30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

12. Investment properties

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3~35 years
Buildings	9~55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

13. Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:
(1) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable by the lessee under residual value guarantees;
(4) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:
(1) the amount of the initial measurement of the lease liability;
(2) any lease payments made at or before the commencement date, less any lease incentives received;
(3) any initial direct costs incurred by the lessee; and
(4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

14. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 10 years).

15. Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

16. Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

17. Revenue recognition

The Company’s revenue arising from contracts with customers are primarily related to sale of goods, rendering of services and sale of solar power. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is high-end machinery and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 90 to 150 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

Sale of solar power

The Company recognizes revenue based on the actual amount of electricity sold and the rate charged, starting from the date on which it obtains the equipment registration letter from the Energy Administration. The revenue from electricity sales is calculated monthly from the date when Taiwan Power Company installed the meter at the premises of the Company as agreed.

18. Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(1) the date of the plan amendment or curtailment, and
(2) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefitt payment.

19. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Operating lease commitment－Company as the lessor

The Company has entered commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

2. Estimation and assumptions

The key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financal year are discussed below.

(1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example the discounted cash flow model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note XII for more details.

(2) Net realizable value of inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note VI for more details.

(3) Fair value of investment properties

When the fair value of investment properties cannot be quoted in the active market, the fair value is measured via the fair value model, including income approach – discounted cash flow method, or market approach. The changes of appraisal parameters used in the assessments might vary the fair value of investment properties. Please refer to Note VI for more details.

(4) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note VI.

(5) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

For more details of the principal assumptions used to measure the cost of post-employment benefit and the pension obligation, please refer to Note VI.

(6) Revenue recognition-sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, estimates are made on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note VI for more details.

(7) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and cash equivalents

	As at	
	31 Dec. 2023	31 Dec. 2022
Cash on hand	$1,058	$1,022
Saving account	353,728	503,054
Cash equivalents		
Time deposits with maturities within 12 months	945,144	889,617
Total	$1,299,930	$1,393,693

Cash and cash equivalents were not pledged.

2. Financial assets at fair value through profit or loss

	As at	
	31 Dec. 2023	31 Dec. 2022
Mandatorily measured at fair value through profit or loss:		
Funds	$390,613	$353,179
Current	$390,613	$353,179

Financial assets at fair value through profit or loss were not pledged.

3. Financial assets measured at amortized cost

	As at	
	31 Dec. 2023	31 Dec. 2022
Time deposits	$33,960	$33,960
Non-current	$33,960	$33,960

Please refer to Note VI (15) for more details on loss allowance and Note VIII for more details on financial assets measured at amortized cost under pledge and Note XII for more details on credit risk.

4. Notes receivable

	As at	
	31 Dec. 2023	31 Dec. 2022
Notes receivable arising from operating activities	$2,656	$2,006
Less: loss allowance	-	-
Total	$2,656	$2,006

Notes receivable were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note VI (15) for more details on loss allowance and Note XII for details on credit risk.

5. Trade receivables and Trade receivables-related parties

	As at	
	31 Dec. 2023	31 Dec. 2022
Trade receivables	$158,516	$167,595
Less:loss allowance	(132)	(132)
Subtotal	158,384	167,463
Trade receivables-from related parties	369	150
Less:loss allowance	-	-
Subtotal	369	150
Total	$158,753	$167,613

Trade receivables were not pledged.

Trade receivables are generally on 90-150 day terms. The total carrying amount as of 31 December 2023 and 2022 were NT$158,885 thousand and NT$167,745 thousand, respectively.

Please refer to Note VI (15) for more details on loss allowance of trade receivables for the years ended 31 December 2023 and 2022 and Note XII for more details on credit risk management.

6. Inventories

	As at	
	31 Dec. 2023	31 Dec. 2022
Raw materials	$28,932	$33,696
Supplies and parts	91,460	94,325
Work in progress	19,711	20,216
Finished goods	186,828	176,386
Merchandise	67,637	78,144
Total	$394,568	$402,767

The cost of inventories recognized in expenses amounts to NT$1,844,877 thousand and NT$1,826,787 thousand for the years ended 31 December 2023 and 2022, including the write-down of inventory of NT$5,563 thousand and NT$5,634 thousand for the year ended 31 December 2023 and 2022.

No inventories were pledged.

7. Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

	As at			
	31 Dec. 2023		31 Dec. 2022	
Investees	Amount	Percentage of ownership	Amount	Percentage of ownership
Investments in subsidiaries				
Taiyen Biotech (Samoa) Co., Ltd.	$20,943	100%	$19,107	100%
Taiyen Green Energy Co., Ltd.	115,634	66.75%	282,439	66.75%
Total	$136,577		$301,546	

Investments in subsidiaries are shown as ‘Investments accounted for using the equity method’ in standalone financial statement with necessary fair value adjustments.

8. Property, plant and equipment

	As at	
	31 Dec. 2023	31 Dec. 2022
Owner occupied property, plant and equipment	$3,766,689	$3,580,284

	Land	Land improvements	Buildings	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost:								
As at 1 Jan. 2023	$1,816,038	$193,061	$1,353,436	$2,703,449	$27,792	$105,984	$442,957	$6,642,717
Additions	-	-	289	826	30	252	322,790	324,187
Disposals	-	(364)	(864)	(57,449)	(541)	(2,144)	-	(61,362)
Transfers	-	3,679	43,753	93,615	519	6,128	(147,694)	-
Other changes	-	-	26,387	6,283	-	72	-	32,742
As at 31 Dec. 2023	$1,816,038	$196,376	$1,423,001	$2,746,724	$27,800	$110,292	$618,053	$6,938,284
As at 1 Jan. 2022	$1,736,142	$190,106	$1,321,785	$2,710,324	$29,000	$103,410	$322,882	$6,413,649
Additions	-	-	1,400	6,328	206	523	235,119	243,576
Disposals	-	(809)	(2,084)	(76,095)	(1,873)	(5,027)	-	(85,888)
Transfers	-	3,902	34,444	69,069	459	7,078	(114,952)	-
Other changes	79,896	(138)	(2,109)	(6,177)	-	-	(92)	71,380
As at 31 Dec. 2022	$1,816,038	$193,061	$1,353,436	$2,703,449	$27,792	$105,984	$442,957	$6,642,717
Depreciation and impairment:								
As at 1 Jan. 2023	$5,356	$162,624	$814,937	$1,967,909	$20,337	$91,270	$-	$3,062,433
Depreciation	-	6,556	43,508	96,975	2,129	6,149	-	155,317
Disposals	-	(364)	(647)	(56,193)	(541)	(2,140)	-	(59,885)
Transfers	-	-	-	-	-	-	-	-
Other changes	-	-	13,730	-	-	-	-	13,730
As at 31 Dec. 2023	$5,356	$168,816	$871,528	$2,008,691	$21,925	$95,279	$-	$3,171,595
As at 1 Jan. 2022	$5,356	$156,817	$776,005	$1,948,634	$20,149	$90,538	$-	$2,997,499
Depreciation	-	6,621	43,047	94,612	2,057	5,515	-	151,852
Disposals	-	(809)	(2,023)	(75,742)	(1,869)	(4,783)	-	(85,226)
Transfers	-	-	-	-	-	-	-	-
Other changes	-	(5)	(2,092)	405	-	-	-	(1,692)
As at 31 Dec. 2022	$5,356	$162,624	$814,937	$1,967,909	$20,337	$91,270	$-	$3,062,433
Net carrying amount as at:								
31 Dec. 2023	$1,810,682	$27,560	$551,473	$738,033	$5,875	$15,013	$618,053	$3,766,689
31 Dec. 2022	$1,810,682	$30,437	$538,499	$735,540	$7,455	$14,714	$442,957	$3,580,284

Property, plant and equipment were not pledged.

9. Investment properties

	Land	Land Improvements	Buildings	Total
Cost:				
As at 1 Jan. 2023	$941,735	$5,663	$467,061	$1,414,459
Disposals	-	-	-	-
Other changes	-	(2,467)	(23,920)	(26,387)
As at 31 Dec. 2023	$941,735	$3,196	$443,141	$1,388,072
As at 1 Jan. 2022	$1,021,631	$5,525	$465,040	$1,492,196
Disposals	-	-	(88)	(88)
Other changes	(79,896)	138	2,109	(77,649)
As at 31 Dec. 2022	$941,735	$5,663	$467,061	$1,414,459
Depreciation and impairment:				
As at 1 Jan. 2023	$5,715	$4,939	$144,056	$154,710
Depreciation	-	99	12,931	13,030
Disposals	-	-	-	-
Other changes	-	(2,467)	(11,263)	(13,730)
As at 31 Dec. 2023	$5,715	$2,571	$145,724	$154,010
As at 1 Jan. 2022	$5,715	$4,834	$128,884	$139,433
Depreciation	-	100	13,166	13,266
Disposals	-	-	(86)	(86)
Other changes	-	5	2,092	2,097
As at 31 Dec. 2022	$5,715	$4,939	$144,056	$154,710
Net carrying amount as at:				
31 Dec. 2023	$936,020	$625	$297,417	$1,234,062
31 Dec. 2022	$936,020	$724	$323,005	$1,259,749

	For the years ended 31 December	
	2023	2022
Rental income from investment property	$33,687	$29,317
Less: Direct operating expenses from investment property generating rental income	(24,097)	(24,586)
Direct operating expenses from investment property not generating rental income	(145)	(566)
Total	$9,445	$4,165

No investment properties were pledged.

As at 31 December 2023 and 2022, the fair value of investment properties held by the Company amounted to NT$4,081,258 thousand and NT$3,832,697 thousand. The above-mentioned fair value was assessed by independent external valuation professionals, and was classified at level 3.

Fair value has been determined under the support of market evidence. Leased plants and lands in the signed lease contract, should be assessed using the income approach. Construction lands should be comprehensively assessed using the land development analysis approach of the comparison method and the cost approach, among which farming and grazing lands are subject to development restrictions therefore can only be assessed using the comparison method. Buildings should be assessed using the cost method, below are the parameters mainly used:

Income approach: An approach that the subject property which apply an appropriate capitalization rate on the date of value opinion to capitalize the average objective annual net operating income in the future into an indication of value.

	As at	
	31 Dec. 2023	31 Dec. 2022
Average income capitalization rate	1.19%-1.34%	1.20%

Comparison method: A method based on the value of the comparable properties is through comparison, analysis, adjustment and other means to estimate the value of the subject property in comparison.

	As at	
	31 Dec. 2023	31 Dec. 2022
Condition adjustment percentage	100%	100%
Date adjustment percentage	100%-104%	100%-103%
Local factor adjustment percentage	85%-103%	85%-102%
Individual factor adjustment percentage	86%-105%	87%-107%

Cost approach: An approach to estimate the value of the subject property, by deducting the accrued depreciation or other item due to be subtracted from the reproduction or replacement cost, based on the date of value opinion.

	As at	
	31 Dec. 2023	31 Dec. 2022
Residual price rate	0.9%-10%	1.8%-10%
Residual service life	0-25.4 years	0-26.4 years

10. Other non-current assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Tourism assets	$3,854	$4,624
Other non-current assets - other	20,279	23,012
Total	$24,133	$27,636

Tourism assets is mainly the Salt Mountain in Cigu. In order to operate in the tourism and travel industry, and preserve the salt history of Taiwan, the salt mountains were recognized as the tourism assets in 2009 and amortized in twenty years based on its future economic benefits.

Other assets are mainly purchased and recognized as materials by the Company and transferred to other assets according to their nature, amortized in three to five years based on their future economic benefits.

The amortization costs of the Company's tourism assets in 2023 and 2022 both amounted to NT$771 thousand, booked under non-operating income and expenses – other gain and loss.

The amortization costs of the Company's operating costs and expenses in 2023 and 2022 amounted to NT$7,981 thousand and NT$7,834 thousand, respectively.

11. Deferred revenue

	As at	
	31 Dec. 2023	31 Dec. 2022
Deferred revenue	$307,188	$320,053

NOTE1: The Company signed a real estate lease contract with Quanhua Investment Co., Ltd. on 19 April 2012 in order to activate the land asset (the lease period was from 25 April 2012 to 24 April 2047, a total of 35 years.) Five parcels of land located in Emei Section 750, 750-1, 751, 752, and Yancheng Section 781 at Taoyuan City were leased to Quanhua Investment Co., Ltd., with the lessee being the builder of the buildings for the Company (the proprietor and the applicant for the first registration of the ownership of the building are both the Company). After the construction was completed, the new building and the underlying property of the lease will be operated by Quanhua Investment Co., Ltd., and Quanhua Investment Co., Ltd. should pay rent and royalties. The construction cost of the new building totaled NT$400,000 thousand (tax included). According to the regulations, it should be regarded as the rental income of the Company and amortized using the residual years after the completion and actual operation. The unamortized amount as of 31 December 2023 was NT$282,636 thousand (tax included).

NOTE2: The Company and the Tainan Technology Industrial Park Service Center of the Industrial Development Bureau, Ministry of Economic Affairs signed a land lease agreement for the Biotechnology Plant No.1 and the R&D Center. During the lease period, the Company applied to purchase the leased land of the Biotechnology Plant No.1 under the land leasing regulations of the Tainan Technology Industrial Park. The leased land was acquired at the original price when the lease was approved and the contract was signed, the rent paid during the lease period can be used to offset the payment without interest. Since April 2016, the rent paid has been recognized in deferred income and amortized using the residual service life of Biotechnology Plant No.1. As of 31 December 2023 the unamortized amount was NT$24,552 thousand.

12. Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$15,109 thousand and NT$14,308 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2%～15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Company will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$14,915 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The defined benefit obligations were expected to mature in 2033 as of 31 December 2023 and 2022, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current period service costs	$8,038	$9,276
Net interest on the net defined benefit liabilities	979	587
Total	$9,017	$9,863

Reconciliations of liability (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As at		
	31 Dec. 2023	31 Dec. 2022	1 Jan. 2022
Defined benefit obligation	$340,624	$305,434	$345,132
Plan assets at fair value	(246,586)	(243,047)	(236,326)
Net defined benefit liabilities	$94,038	$62,387	$108,806

Reconciliations of liabilities of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (assets)
As at 1 January 2022	$345,132	$(236,326)	$108,806
Current period service costs	9,276	-	9,276
Interest expense (income)	1,863	(1,276)	587
Subtotal	356,271	(237,602)	118,669
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(18,385)	-	(18,385)
Experience adjustments	(4,148)	-	(4,148)
Remeasurements of the defined benefit assets	-	(18,536)	(18,536)
Subtotal	(22,533)	(18,536)	(41,069)
Payments from the plan	(28,304)	28,304	-
Contributions by employer	-	(15,213)	(15,213)
As at 31 December 2022	$305,434	$(243,047)	$62,387
Current period service costs	8,038	-	8,038
Interest expenses (income)	4,795	(3,816)	979
Subtotal	318,267	(246,863)	71,404
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	252	-	252
Actuarial gains and losses arising from changes in financial assumptions	9,958	-	9,958
Experience adjustments	27,748	-	27,748
Remeasurements of the defined benefit assets	-	(409)	(409)
Subtotal	37,958	(409)	37,549
Payments from the plan	(15,601)	15,601	-
Contributions by employer	-	(14,915)	(14,915)
As at 31 December 2023	$340,624	$(246,586)	$94,038

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	31 Dec. 2023	31 Dec. 2022
Discount Rate	1.28%	1.57%
Expected rate of salary increases	3.00%	3.00%

A sensitivity analysis for significant assumption as at 31 December 2023 and 2022 is, as shown below:

	Effect on the defined benefit obligation			
	For the years ended 31 December			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	-	16,941	-	15,776
Discount rate decrease by 0.5%	18,196	-	16,986	-
Future salary increase by 0.5%	17,791	-	16,658	-
Future salary decrease by 0.5%	-	16,746	-	15,638

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

13. Equities

(1) Common stock

As of 31 December 2023 and 2022 the Company's authorized common stock both amounted to NT$8,000,000 thousand. The outstanding common stocks were both NT$2,000,000 thousand, divided into 200,000 thousand shares and at NT$10 par value. Each share has one voting right and a right to receive dividends.

(2) Capital surplus

	As at	
	31 Dec. 2023	31 Dec. 2022
Additional paid-in capital	$2,477,486	$2,477,486
Donated assets received	8,775	8,775
Changes in ownership interests in subsidiaries	15,317	15,317
Other	204	140
Total	$2,501,782	$2,501,718

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

The Company's Articles of Incorporation provide that the 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 combined with all or part of the accumulated undistributed surplus, of which the cash portion should not be less than 50%.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On 31 March 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

As of 31 December 2023 and 2022, the Company adopted the IFRS for the first time that the special reserve amounts were both NT$45,420 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved at the board of directors’ meeting and shareholders’ meeting held on 11 March 2024 and 19 June 2023, respectively, are as follows:

	For the years ended 31 December			
	Appropriation of earnings		Cash dividends per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$27,035	$46,085		
Cash dividends	240,000	300,000	$1.2	$1.5

Please refer to Note VI (17) for details on employees’ compensation and remuneration to directors.

14. Operating revenue

	For the years ended 31 December	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$3,168,852	$3,044,180
Electricity sales revenue	2,907	-
	$3,171,759	$3,044,180

Analysis of revenue from contracts with customers for the years ended 31 December 2023 and 2022 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2023:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Other dept.	Total
Sales of goods	$2,636,482	$474,589	$60,688	$3,171,759
Timing of revenue recognition:				
At a point in time	$2,636,482	$474,589	$60,688	$3,171,759

For the year ended 31 December 2022:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Other dept.	Total
Sales of goods	$2,481,820	$515,910	$46,450	$3,044,180
Timing of revenue recognition:				
At a point in time	$2,481,820	$515,910	$46,450	$3,044,180

(2) Contract balances

A. Contract liabilities - current

	As at		
	31 Dec. 2023	31 Dec. 2022	1 Jan. 2022
Sales of goods	$33,802	$46,521	$36,863

The significant changes in the Company's balances of contract liabilities for the years ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to revenue	$(41,938)	$(33,175)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	29,219	42,833

15. Expected credit losses / (gains)

	For the years ended 31 December	
	2023	2022
Operating expense- Expected credit losses / (gains)		
Notes receivable	$-	$-
Trade receivables	-	-
Total	$-	$-

Please refer to Note XII for more details on credit risk.

The credit risk for measured at amortized cost is assessed as low. Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Company transacts with are financial institutions with good credit, no allowance for losses has been provided for the years ended 31 December 2023 and 2022.

The Company measures the loss allowance of its trade receivables (including notes receivables and trade receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at 31 December 2023 and 2022 is as follow:

The Company considers the trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix with 0.08%. The details are as follows:

As at 31 December 2023

	Not yet due	Overdue			
	(Note)	<=90 days	90-180 days	>=180 days	Total
Gross carrying amount	$161,308	$233	$-	$-	$161,541
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					$169,409

Note: The Company's notes receivable were not overdue.

As at 31 December 2022

	Not yet due	Overdue			
	(Note)	<=90 days	90-180 days	>=180 days	Total
Gross carrying amount	$169,751	$-	$-	$-	$169,751
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					$169,619

Note: The Company's notes receivable were not overdue.

The movement in the provision for impairment of notes receivable and trade receivables for the years ended 31 December 2023 and 2022 is as follows:

	Notes receivable	Trade receivables
Balance as at 1 Jan. 2023	$-	$132
Addition / (reversal) for the current period	-	-
Write off	-	-
Balance as at 31 Dec. 2023	$-	$132
Balance as at 1 Jan. 2022	$-	$132
Addition / (reversal) for the current period	-	-
Write off	-	-
Balance as at 31 Dec. 2022	$-	$132

16. Leases

(1) Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment, and other equipment. The lease terms range from 1 to 20 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Land	$24,163	$26,127
Buildings	1,669	2,782
Transportation equipment	4,270	4,497
Other equipment	280	41
Total	$30,382	$33,447

For the years ended 31 December 2023 and 2022, the Company's additions to right-of-use assets amounted to NT$3,146 thousand and NT$3,798 thousand, respectively.

(b) Lease liabilities

	As at	
	31 Dec. 2023	31 Dec. 2022
Lease liabilities	$29,824	$33,114
Current	$5,450	$5,859
Non-current	24,374	27,255
Total	$29,824	$33,114

Please refer to Note VI (18) for the interest on lease liabilities recognized for the years ended 31 December 2023 and 2022 and refer to Note XII (5) Liquidity Risk Management for the maturity analysis for lease liabilities as at 31 December 2023 and 2022.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Land	$1,964	$1,964
Buildings	1,113	1,112
Transportation equipment	3,053	3,196
Other equipment	81	55
Total	$6,211	$6,327

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$1,643	$1,193

D. Cash outflow relating to leasing activities

For the years ended 31 December 2023 and 2022, the Company's total cash outflows for leases amounted to NT$8,737 thousand and NT$8,319 thousand, respectively.

(2) Company as a lessor

Please refer to Note VI(9) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$33,687	$29,317

Please refer to Note VI(9) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at 31 December 2023 and 2022 are as follow:

	As at	
	31 Dec. 2023	31 Dec. 2022
Not later than one year	$28,011	$28,405
Later than one year but not later than two years	25,353	25,126
Later than two years but not later than three years	25,685	25,952
Later than three years but not later than four years	25,981	25,467
Later than four years but not later than five years	25,981	25,762
Later than five years	418,435	441,285
Total	$549,446	$571,997

17. Employee benefits, depreciation, and amortization expenses by function are summarized as follows:

	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$191,935	$295,664	$487,599	$190,499	$282,228	$472,727
Labor and health insurance	17,759	23,880	41,639	16,940	22,732	39,672
Pension	12,382	11,744	24,126	12,112	12,059	24,171
Director’s remuneration	-	8,682	8,682	-	10,633	10,633
Other employee benefits expense	9,124	10,970	20,094	9,631	12,623	22,254
Depreciation	123,367	51,191	174,558	121,068	50,377	171,445
Amortization	6,684	3,974	10,658	6,560	3,992	10,552

The number of employees of the Company were 485 and 490 for the years ended 31 December 2023 and 2022, respectively, of which 7 and 8 were directors who were not concurrently employees.

Companies whose stocks have been listed on the stock exchange or OTC trading center should also disclose the following information:

(1) The average employee benefit expense this year amounted to NT$1,200 thousand ((Total amount of employee benefits expense of the year – total amount of the director’s remuneration) / (the number of employees in the year – the number of directors who are not concurrently employees))
The average employee benefit expense in the previous year amounted to NT$1,159 thousand ((Total amount of employee benefits expense in the previous year – total amount of the director’s remuneration) / (the number of employees in the previous year – the number of directors who are not concurrently employees))

(2) The average employee salary was NT$1,020 thousand this year (the total salary expense of the year / (the number of employees in the year- the number of directors who are not concurrently employees))
The average employee salary was NT$981 thousand in the previous year (the total salary expense in the previous year / (the number of employees in the previous year– the number of directors who are not concurrently employees))

(3) The adjustment of the average of the salary expenses increased by 4%. ((The average amount of the salary expense of the year – the average amount of the salary expense in the previous year) / the average amount of the salary expense in the previous year)

(4) The supervisor’s remuneration this year was NT$0, and the supervisor’s remuneration last year was NT$0. The Company has set up an audit committee to replace the supervisory system, therefore, the amount was NT$0.

(5) The Company’s salary and remuneration policy (including directors, managers and employees):

According to the Articles of Incorporation, 2.25~3.75% of profit of the current year is distributable as employees’ compensation and no higher than 1.5% of profit of the current year is distributable as remuneration to directors, excluding independent directors.

The director’s remuneration of the Company is directly related to the company's operating performance during the year. The director’s remuneration is high when the company's operating performance is good. The director’s remuneration will be submitted to the remuneration committee for review to avoid future risks.

The Company’s managers and employees’ overall salary and remuneration package mainly includes basic salary, bonus, employee remuneration and other benefits. With respect to the standard of remuneration payment, the basic salary is based on the market salary level of the position held by the employee and the Company’s policy; the bonus and employee remuneration are directly linked to the Company’s operating performance during the current year, and the welfare complies with the laws and regulations, taking into account the employee's needs to design the measures that all employees can share.

Information on the board of Directors’ resolution regarding the employees’ compensation and remuneration to directors can be obtained from the “Market Observation Post System” on the website of the TWSE.

Based on the profit level, the Company estimated the employees’ compensation and remuneration to directors for year ended 31 December 2023 to be 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees’ compensation and remunerate on to directors for the year ended 31 December 2023 amount to NT$16,305 thousand and NT$6,522 thousand, respectively. A resolution was passed at the Board of Directors meeting held on 11 March 2024 to distribute employees’ compensation and remuneration to directors of 2023 in cash at rates of 3.22% and 1.29%, amounting to NT$14,000 thousand and NT$5,609 thousand, respectively. Differences between the estimated amount and the actual distribution amount of the employee compensation and remuneration to directors for the year ended 31 December 2023 were NT$2,305 thousand and NT$913 thousand, respectively, which were recognized in profit or loss of the subsequent year in 2024.

The Company distributed employees’ compensation and remuneration to directors for year ended 31 December 2022 at 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees’ compensation and remuneration to directors for the year ended 31 December 2022 amounted to NT$20,908 thousand and NT$8,363 thousand, respectively. No differences existed between the estimated amount and the actual distribution of employee compensation and remuneration to directors for the year ended 31 December 2022.

18. Non-operating income and expenses

(1) Other income

	For the years ended 31 December	
	2023	2022
Rental income	$33,687	$29,317
Interest income		
Financial assets measured at amortized cost	35,519	17,648
Others	42,553	41,709
Total	$111,759	$88,674

Other income is mainly tourism income and parking fees of Cigu Salt Mountain.

(2) Other gains and losses

	For the years ended 31 December	
	2023	2022
(Losses) on disposal of property, plant and equipment	$(1,268)	$(662)
(Losses) on disposal of investment properties	-	(2)
Foreign exchange (losses) gains, net	(5,713)	58,480
Gains / (losses) on financial assets at fair value through profit or loss	7,434	(360)
(Losses) on disaster	(4,134)	(5,538)
Other expenses	(59,866)	(57,559)
Total	$(63,547)	$(5,641)

Other expenses is mainly depreciation expenses of Cigu Salt Mountain’s property, plant and equipment, maintenance expenses, and currency remittance commissions.

(3) Finance costs

	For the years ended 31 December	
	2023	2022
Interest on lease liabilities	$(658)	$(668)
Other interest expenses	(41)	(17)
Total	$(699)	$(685)

19. Components of other comprehensive income

For the year ended 31 December 2023:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	$(37,549)	$-	$7,510	$(30,039)
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	(386)	-	-	(386)
Total other comprehensive income (loss)	$(37,935)	$-	$7,510	$(30,425)

For the year ended 31 December 2022:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	$41,070	$-	$(8,214)	$32,856
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	206	-	-	206
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	242	-	-	242
Total other comprehensive (loss) income	$41,518	$-	$(8,214)	$33,304

20. Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are as follows:

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense:		
Current income tax charge	$116,162	$93,714
Adjustments in respect of current income tax of prior periods	(2,265)	(3,442)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(2,319)	11,300
Total income tax expense	$111,578	$101,572

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax expense:		
Remeasurements of defined benefit plans	$(7,510)	$8,214
Income tax relating to components of other comprehensive income	$(7,510)	$8,214

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit before tax from continuing operations	$411,964	$528,276
Tax at the domestic rates applicable to profits in the country concerned	$82,393	$105,655
Tax effect of revenues exempt from taxation	31,874	(254)
Tax effect of expenses not deductible for tax purposes	20	14
Tax effect of deferred tax assets/liabilities	(444)	(401)
Adjustments in respect of current income tax of prior periods	(2,265)	(3,442)
Total income tax expenses recognized in profit or loss	$111,578	$101,572

Deferred tax assets (liabilities) related to the following:

For the year ended 31 December 2023

	Beginning balance as at 1 Jan. 2023	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2023
Temporary differences				
Unrealized allowance for inventory valuation losses	$7,443	$1,113	$-	$8,556
Unrealized exchange losses (gains)	5,037	1,155	-	6,192
Unrealized sales returns and allowance	6,607	814	-	7,421
Unallocated fixed manufacturing overhead	1,515	245	-	1,760
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	4,759	(65)	-	4,694
Compensated absence	3,328	155	-	3,483
Deferred income	333	231	-	564
Net defined benefit liability, non-current	12,517	(1,180)	7,510	18,847
Others	24,660	(149)	-	24,511
Deferred tax income (expense)		$2,319	$7,510	
Net deferred tax assets/(liabilities)	$32,860			$42,689
Reflected in balance sheet as follows:				
Deferred tax assets	$67,092			$77,070
Deferred tax liabilities	$(34,232)			$(34,381)

For the year ended 31 December 2022

	Beginning balance as at 1 Jan. 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2022
Temporary differences				
Unrealized allowance for inventory valuation losses	$6,316	$1,127	$-	$7,443
Unrealized exchange losses (gains)	16,698	(11,661)	-	5,037
Unrealized sales returns and allowance	6,497	110	-	6,607
Unallocated fixed manufacturing overhead	1,417	98	-	1,515
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	4,814	(55)	-	4,759
Compensated absence	3,091	237	-	3,328
Deferred income	271	62	-	333
Net defined benefit liability, non-current	21,800	(1,069)	(8,214)	12,517
Others	24,809	(149)	-	24,660
Deferred tax income (expense)		$(11,300)	$(8,214)	
Net deferred tax assets/(liabilities)	$52,374			$32,860
Reflected in balance sheet as follows:				
Deferred tax assets	$86,457			$67,092
Deferred tax liabilities	$(34,083)			$(34,232)

The assessment of income tax returns

As of 31 December 2023, the assessment of income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assess and approved up to 2021

21. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible bonds payable) by the weighted average number of ordinary shares outstanding during the years plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT$)	$300,386	$426,704
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	200,000	200,000
Basic earnings per share (NT$)	$1.50	$2.13
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT$)	$300,386	$426,704
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	200,000	200,000
Effect of dilution:		
Employee compensation－stock (in thousands)	477	664
Weighted average number of ordinary shares outstanding after dilution (in thousands)	200,477	200,664
Diluted earnings per share (NT$)	$1.50	$2.13

There have been no other transactions involving shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Taiyen (Xiamen) Import & Export Co., Ltd. (Taiyen (Xiamen))	Sub-subsidiary of the company
Taiyen Green Energy Co., Ltd. (Taiyen Green Energy)	Subsidiary of the company

Significant transactions with the related parties

1. Sales

	For the years ended 31 December	
	2023	2022
Taiyen (Xiamen)	$564	$667
Taiyen Green Energy	85	312
Total	$649	$979

The prices of the above sales transactions are subject to the agreed conditions.

2. Purchases

	For the years ended 31 December	
	2023	2022
Taiyen (Xiamen)	$19,559	$19,531

The prices and payment conditions are the same between associates' industries and non-related parties.

3. Engineering commission

a. The Company entrusted the change of land adjustment to Taiyen Green Energy, and the Company has paid NT$12,381 thousand and NT$8,571 thousand (accounted as construction in progress) for the years ended 31 December 2023 and 2022. Additionally, the Company collected performance deposit of NT$2,000 thousand for this transaction.

b. The Company entrusted the "Construction Project of Ground - Mounted Photovoltaic Systems Located at Huashan Section, Luzhu" to Taiyen Green Energy. The Company has paid NT$65,000 thousand (accounted as construction in progress) as of 31 December 2022. Additionally, the Company collected deposit of NT$5,000 thousand for this project (accounted as guarantee deposits).

4. Key management personnel compensation

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$17,840	$17,486
Post-employment benefits	238	595
Total	$18,078	$18,081

VIII. ASSETS PLEDGED AS COLLATERAL

The following table lists asset of the Company pledged as collateral:

	Carrying amount		
Item	31 Dec. 2023	31 Dec. 2022	Purpose of pledge
Financial assets measured at amortized costs	$33,960	$33,960	Guarantee Deposits

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. The Company signed a contract with a salt company and a shipping company in Australia on 3 February 2023 to the purchase and import industrial sun-dried salt and agreed on the related transportation terms. The contract period was 2 years (From 1 March 2023 to 28 February 2025). According to this contract, the Company can acquire a fixed amount of sun-dried salt for industrial and food processing purposes in accordance with the agreed price each year. The annual purchase amount (including transportation costs) is about NT$300 million. After the contract expires, the Company will reopen the bid.

2. The Company signed a natural gas sales contract for industrial fuel use with CPC Corporation, Taiwan (hereinafter referred to as CPC) on 18 March 2022. The contract period is 3 years (From 18 March 2022 to 30 June 2025). According to this contract, the Company agrees to purchase 800 thousand cubic meters of gas from CPC in accordance with the CPC natural gas price list each month, and the Company will base its use on this amount evenly.

3. The Company signed a property purchase contract with Far Eastern New Century Co., Ltd. (hereinafter referred to as FENC) on 25 July 2023. The Company purchased PET bottles from FENC for approximately $210 million. According to this contract, after the Company signs the contract, the contracted goods will be delivered to the designated place in batches according to the notice of Tung-Hsiao Fine Salt Factory to complete the transaction until the contract volume is reached.

4. As of 31 December 2023, the Company still has major contracts as follows:

Project	Contract amount	Amount paid	Unpaid amount
Replacement project of cogeneration equipment	$601,700	$467,745	$133,955
New construction of toothpaste GMP plant	80,500	62,153	18,347
Construction project of solar photovoltaic systems	82,333	65,000	17,333
Total	$764,533	594,898	$169,635

X. LOSS DUE TO MAJOR DISASTERS

None.

XI. SIGNIFICANT SUBSEQUENT EVENTS

None.

XII. OTHER

1. Categories of financial instruments

Financial assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$390,613	$353,179
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,298,872	1,392,671
Financial assets measured at amortized cost	33,960	33,960
Notes receivable	2,656	2,006
Trade receivables	158,753	167,613
Other receivables (accounted as other current assets)	8,082	6,693
Refundable deposits	5,263	5,475
Subtotal	1,507,586	1,608,418
Total	$1,898,199	$1,961,597

Financial liabilities

	As at	
	31 Dec. 2023	31 Dec. 2022
Financial liabilities at amortized cost:		
Trade and other payables	$428,975	$472,343
Guarantee deposits	103,719	85,280
Lease liabilities	29,824	33,114
Total	$562,518	$590,737

2. Financial risk management objectives and policies

The Company's principal risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk, and other price risk (such as equity risks).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly affected by USD, AUD and CNY. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$4,801 thousand and NT$4,240 thousand, respectively.
(2) When NTD strengthens/weakens against AUD by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$588 thousand and NT$570 thousand, respectively.
(3) When NTD strengthens/weakens against CNY by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$2,884 thousand and NT$2,890 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company mainly invests in financial assets with fixed interest rates, therefore the interest rate risk has no significant impact on the company.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2023 and 2022, trade receivables from top ten customers represent 83% and 81% of the total trade receivables of the Company, respectively. The credit concentration risk of other trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

5. Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid securities and leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 Dec. 2023					
Trade and other payables	$428,975	$-	$-	$-	$428,975
Lease liabilities (Note)	6,073	6,396	4,382	19,445	36,296
As at 31 Dec. 2022					
Trade and other payables	$472,343	$-	$-	$-	$472,343
Lease liabilities (Note)	6,499	7,719	4,320	21,600	40,138

Note: Information about the maturities of lease liabilities is provided in the table below:

	Maturities				
	Less than 5 years	6 to 10 years	11 to 15 years	> 15 years	Total
As at 31 Dec. 2023	$16,851	$10,805	$8,640	$-	$36,296
As at 31 Dec. 2022	18,538	10,800	10,800	-	40,138

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Leases liabilities
As at 1 Jan. 2023	$33,114
Cash flows	(7,094)
Non-cash changes	3,804
As at 31 Dec 2023	$29,824

Reconciliation of liabilities for the year ended 31 December 2022:

As at 1 Jan. 2022	$35,774
Cash flows	(7,126)
Non-cash changes	4,466
As at 31 Dec 2022	$33,114

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, trade receivables, trade payable and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost

The Company’s book value of financial assets and liabilities measured by amortized cost reasonably approximated their fair value.

(3) Fair value measurement hierarchy for financial instruments

Please refer to Note XII(8) for fair value measurement hierarchy for financial instruments of the Company.

8. Fair value measurement hierarchy

(1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(2) Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$390,613	$-	$-	$390,613

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$353,179	$-	$-	$353,179

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

(3) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$1,234,062	$1,234,062
Financial assets measured at amortized cost				
Time deposits	-	33,960	-	33,960
Investments accounted for using equity method	-	-	136,577	136,577

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$1,259,749	$1,259,749
Financial assets measured at amortized cost				
Time deposits	-	33,960	-	33,960
Investments accounted for using equity method	-	-	301,546	301,546

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As at 31 December 2023		
Financial assets	Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	$15,632	30.71	$480,059
AUD	2,801	20.98	58,765
CNY	66,649	4.327	288,390

Financial assets	As at 31 December 2022 Foreign currencies	 Foreign exchange rate	 NTD
Monetary items:			
USD	$13,808	30.71	$424,044
AUD	2,736	20.83	56,991
CNY	65,572	4.408	289,041

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Company has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the years ended 31 December 2023 and 2022, the foreign exchange gains or losses on monetary financial assets and financial liabilities were to NT$(5,713) thousand and NT$58,480 thousand, respectively.

10. Financial asset transfer information

Entirely derecognize transferred financial asset

Part of the Company's trade receivables has signed non-recourse transfer contracts with financial institutions. In addition to the transfer of the rights of these trade receivables to the cash flow contracts, the Company is also not required to bear the credit risk of the inability to recover these trade receivables according to the contract (except for commercial disputes), which met the conditions for derecognizing financial assets. Transaction-related information is as follows:

As at 31 Dec. 2023

Purchaser	Factoring amount	Advanced amount	Transfer to other receivables	Credit
Bank SinoPac	$-	$-	$-	$10,000

As at 31 Dec. 2022

Purchaser	Factoring amount	Advanced amount	Transfer to other receivables	Credit
Bank SinoPac	$144	$-	$144	$10,000

11. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

XIII.OTHER DISCLOSURE

1. The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

   (1) Financing provided to others for the year ended 31 December 2023: None.

   (2) Endorsement/Guarantee provided to others for the year ended 31 December 2023: None.

   (3) Securities held as of 31 December 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 1.

   (4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

   (5) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.

   (6) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the years ended 31 December 2023: None.

   (7) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock f for the years ended 31 December 2023: None.

   (8) Trade receivables of related party amounts exceeding the lower of NT$100 million or 20 percent of the capital stock f for the years ended 31 December 2023: None.

   (9) Financial instruments and derivative transactions: None.

2. Information on investees:

   (1) The investee the Company has significant influence or controller directly or indirectly: Please refer to Attachment 2.

   (2) If the Company has direct or indirect control over the investee, it must disclose the information of the invest engaged in the first to ninth transactions of the preceding paragraph: None.

3. Information on investment in mainland China:

(1) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in mainland China: Please refer to Attachment 3.

(2) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

4. Information on major shareholders: Please refer to Attachment 4.

XIV. OPERATING SEGMENT INFORMATION

Please refer to the consolidated financial statements of TAIYEN BIOTECH CO., LTD. and subsidiaries for operating segment information.

Attachment 1

Securities held as at 31 December 2023

Holding Company	Type and name of securities(note)	Relations with securities issuer	Account	As of 31 December, 2023				Note
				Number of shares or units	Amount	Holding ratio	Fair Value	
The Company	Money Market Fund－JIH SUN Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,094,435.14	$31,950	-	$31,950	
	Money Market Fund－FSITC Taiwan Money Market Fund	-	〃	2,039,641.60	32,101	-	32,101	
	Money Market Fund－Eastspring Investments Well Pool Money Market Fund	-	〃	2,250,170.60	31,419	-	31,419	
	Money Market Fund－Yuanta Wan Tai Money Market Fund	-	〃	684,186.40	10,641	-	10,641	
	Money Market Fund－Yuanta De-Li Money Market Fund	-	〃	615,695.30	10,322	-	10,322	
	Money Market Fund－Nomura Taiwan Money Market Fund	-	〃	3,181,374.36	53,270	-	53,270	
	Money Market Fund－Shin Kong Chi-Shin Money Market Fund	-	〃	1,969,750.74	31,324	-	31,324	
	Money Market Fund－Franklin Templeton Sinoam Money Market Fund	-	〃	2,959,309.49	31,446	-	31,446	
	Money Market Fund－Cathay Taiwan Money Market Fund	-	〃	2,432,059.50	31,040	-	31,040	
	Money Market Fund－Fubon Chi-Hsiang Money Market Fund	-	〃	1,278,422.10	20,587	-	20,587	
	Money Market Fund－Union Money Market Fund	-	〃	764,198.81	10,374	-	10,374	
	Money Market Fund－SinoPac TWD Money Market Fund	-	〃	724,653.40	10,363	-	10,363	
	Money Market Fund－Prudential Financial Money Market Fund	-	〃	1,275,006.10	20,730	-	20,730	
	Bond Fund－PineBridge Global Multi-Strategy High Yield Bond Found A	-	〃	2,079,726.62	29,551	-	29,551	
	Bond Fund －Nomura Fallen Angel Non-Investment Grade Bond Fund-Accumulate-TWD	-	〃	1,042,905.12	10,389	-	10,389	
	Bond Fund －PGIM USD High Yield Bond Fund-TWD (A)	-	〃	1,018,547.75	10,156	-	10,156	
	Bond Fund－ Allianz Global Investors All Seasons Harvest Fund of Bond Funds-A-USD	-	〃	43,584.40	14,950		14,950	
					$390,613		$390,613	

Note: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items mentioned in IFRS No. 9 "Financial Instruments".

Attachment 2

The investee that the Company has significant influence or controller directly or indirectly

Name of investment company	Investee company name	Location	Main Business	Original investment amount		Held at the end of the period			Net income (loss) of investee company	Investment income (loss) (Note)
				31-Dec-23	31-Dec-22	Number of shares	Ratio	Amount		
The Company	Taiyen Green Energy	No. 360, Gaofa 2nd Rd., Guiren Dist., Tainan City	Energy-related business	$235,616	$235,616	24,741,970	66.75%	$115,634	$(247,213)	$(165,015)
The Company	Taiyen Samoa	Novasage Chambers,PO Box 3018,Level 2 CCCS Building,Beach Road,Apia,Samoa	Reinvestment Business	49,541	49,541	1,600,000	100%	20,943	2,222	2,222
Taiyen Samoa	Taiyen Hong Kong	Room 2701,27/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong	Reinvestment Business	49,541 (USD1,600 thousand)	49,541 (USD1,600 thousand)	1,600,000	100%	20,943	2,222	2,222

Note : Excluded from upstream transaction elimination of unrealized profits and losses between the company.

Attachment 3

Information on investments in mainland China

Name of investee company in mainland China	Main business	Total amount of Capital	Method of Investment (Note 1)	Outflow of investments from Taiwan at beginning of the period	Accumulated inflow and outflow of investments from Taiwan		Accumulated outflow of investments from Taiwan at the end of the period	Net income (loss) of investee company	Percentage of direct(indirect) ownership by the Company	Investment income (loss) (Note 2)	Carrying amount of investments at the end of the period (Note 2)	Cumulated inward remittance of earnings and limits on investment in mainland China	Note
					Outflow	Inflow							
Taiyen (Xiamen)	Operating various commodity sales and import and export business	USD1,600 thousand	2	USD1,600 thousand	-	-	USD1,600 thousand	$2,222	100%	$2,222	$20,943	-	-

Accumulated outflow of investments in mainland China from Taiwan at the end of the period	The amount of investment approved by the Investment Commission, MOEA	According to the regulations of the Investment Commission, MOEA, about investments to mainland China
$49,136 (USD1,600 thousand) (Note 3)	$49,136 (USD1,600 thousand) (Note 3)	Equity$6,491,239*60%=$3,894,743 (Note 4)

Note 1: Method of investments are divided into the following three types; the table can be only noted with number:

1.Direct investment in mainland China.

2.Through the third region entity: Taiyen Samoa indirectly invested in Taiyen Xiamen via investment in Taiyen Hong Kong.

3.Other methods.

Note 2: The financial statements of the investee company has been audited by the independent auditors of EY.

Note 3: The amount of NTD in the table was calculated with the exchange rate of 30.71 at the end of December 2023.

Note 4: According to 97.8.22 "Licensing Measures for Engagement in the Mainland Area or Technology Cooperation", "Investment or Technology Cooperation Review Principles in the Mainland Area" Amendments, investors' upper limit ratio of the cumulative investment amount in Mainland Area is : 60% of the net value or net value of the merger, whichever is higher.

Attachment 4

Information on major shareholders

Name of major shareholder \ Shares	Number of shares	Ratio
Ministry of Economic Affairs, R.O.C.	77,768,272	38.88%
Tung Wei Construction Co., LTD.	10,000,000	5.00%

Note 1: The shareholders information is mainly derived from the last business day of each quarter-end when shareholders hold more than 5% of the common shares and preferred shares that The shareholders information is mainly derived from the last business day of each quarter-end when shareholders hold more than 5% of the common shares and preferred shares that have been completed (including treasury shares) non-physical registration. As for there may be differences between recorded shares in the Company' s financial report and actual shares completed and delivered shares to non-physical registration, this is due to different calculation basis.

Note 2: If the above-mentioned information is in the case of shareholders handing over shares to the trust, the individual account of the trustor who set up the trust account with the trustee should be disclosed. As for shareholders who declare insiders shareholding statement in accordance with the Securities and Exchange Act for holding more than 10% of the shares, it includes shares held personally and shares that are put into the trust and hold the right to exercise decision-marking power over the trust property, etc. Please refer to the Market Observation Post System (MOPS) for more information on the insiders shareholding statement.

TAIYEN BIOTECH CO.,LTD.

1. Table of cash and cash equivalents

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Subtotal	Total	Note
Cash		$41	$41	1.Exchange Rate of
Petty Cash		1,017	1,017	USD to NTD is
Subtotal			1,058	1:30.71
				2.Exchange Rate of
Bank check deposits			26,891	AUD to NTD is
Bank demand deposits			306,805	1:20.98
Bank foreign currency deposits	USD 465 thousand	14,269		3.Exchange Rate of
	AUD 71 thousand	1,494		CNY to NTD is
	CNY 987 thousand	4,269		1:4.327
			20,032	
Subtotal			353,728	
Cash equivalents				
Time deposits with maturities within 12 months			153,000	
	USD 14,680 thousand	450,749		
	AUD 2,730 thousand	57,275		
	CNY 65,662 thousand	284,120		
			792,144	
			945,144	
Total			$1,299,930	

TAIYEN BIOTECH CO.,LTD.

2. Table of trade receivables, net

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Client Name	Summary	Amount	Note
Company A		$87,770	The amount of individual client in others does not exceed 5% of the account balance.
Company B		18,430	
Company C		9,472	
Others		43,213	
Subtotal		158,885	
Less: loss allowance		(132)	
Total		$158,753	

TAIYEN BIOTECH CO.,LTD.

3. Table of net inventories

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount		Note
		Cost	Market price	
Raw materials		$34,251	$33,998	The market price is the net realizable value.
Supplies and parts		116,076	115,369	
Work in progress		20,545	20,487	
Finished goods		197,212	195,215	
Merchandise		69,262	69,248	
Total		437,346	$434,317	
Less: allowance for inventory valuation losses		(42,778)		
Total		$394,568		

TAIYEN BIOTECH CO.,LTD.

4. Statements of changes in investments accounted for using the equity method

For the year ended 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Investee Company	Amount at the beginning of the period		Increase				Decrease				Amount at the end of the period		Market price or net equity		Accrual basis	Situation of warranty or pledge provided	Note
	Number of shares (thousand)	Amount	Number of shares (thousand)		Amount		Number of shares (thousand)		Amount		Number of shares (thousand)	Amount	Unit price (NTD)	Total price	(Shareholding ratio)		
Taiyen Samoa	1,600	$19,107	-		$2,222	(Note 1)	-		$(386)	(Note 2)	1,600	$20,943		$20,943	100%	None	
Taiyen Green Energy	24,742	282,439	-		-		-		(166,805)	(Note 1)	24,742	115,634		175,924	66.75%	None	
Total		$301,546			$2,222				$(167,191)			$136,577					

Note1：Net investment profit accounted for using equity method (The sale of the patent rights has been realized).

Note2：Exchange differences resulting from translating the financial statements of foreign operations.

TAIYEN BIOTECH CO.,LTD.

5. Table of notes payable

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Name of supplier	Summary	Amount	Note
Company D		$15,744	The amount of individual client in others does not exceed 5% of the account balance.
Company E		14,133	
Company F		7,348	
Company G		5,481	
Others		54,264	
Total		$96,970	

TAIYEN BIOTECH CO.,LTD.

6. Table of accounts payable

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Name of supplier	Summary	Amount	Note
Company H		$19,274	The amount of individual client in others does not exceed 5% of the account balance.
Company I		5,403	
Company J		4,971	
Others		24,205	
Total		$53,853	

TAIYEN BIOTECH CO.,LTD.

7. Table of others payable

As at 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Summary	Amount	Note
Salaries payable		$124,998	The amount of others does not exceed 5% of the account balance.
Other expenses payable	Gas expenses and delivery expenses.	89,605	
Provision of employee benefits		17,414	
Employee compensation payable		16,305	
Others		29,830	
Total		$278,152	

TAIYEN BIOTECH CO.,LTD.

8. Table of net sales revenues

For the year ended 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Numbers	Amount	Note
Salt products	3,046,175 pcs	$1,581,168	
Packaged drinking water	115,562,273 pcs	1,103,926	
Health products	1,472,038 pcs	178,402	
Cleaning products	2,422,212 pcs	169,483	
Beauty care products	482,799 pcs	136,817	
Merchandise	311,333 pcs	56,370	
Others		5,538	
		3,231,704	
Less: sales returns and allowance		(59,945)	
Total		$3,171,759	

TAIYEN BIOTECH CO.,LTD.
9. Statement of operating costs
For the year ended 31 December 2023
(Expressed in thousands of New Taiwan Dollars)

Items	Amount	Note
Cost of goods sold of self-made product		
Direct material: beginning of year	$38,887	
Add: raw material purchased	89,289	
Less: raw material, end of year	(34,251)	
transfer to other account title	(7,477)	
others	(8,866)	
Direct material used	77,582	
Indirect material		
Indirect material, beginning of year	116,420	
Add: indirect material purchased	646,380	
Less: indirect material, end of year	(116,076)	
transfer to other account title	(33,825)	
others	(24,056)	
Indirect material used	588,843	
Direct labor	74,793	
Manufacturing expenses	571,837	
Manufacturing cost	1,313,055	
Work in progress, beginning of year	20,689	
Add: transfer from merchandise	366,553	
transfer from finished goods	35,641	
Less: work in progress, end of year	(20,545)	
transfer to other account title	(405)	
others	(28,241)	
Manufacturing cost	1,686,747	
Finished goods, beginning of year	184,304	
Add: others	32,390	
Less: finished goods, end of year	(197,212)	
transfer to other account title	(16,598)	
transfer to work in progress	(35,641)	
others	(733)	
Cost of finished goods	1,653,257	
Cost of goods sold of merchandise		
Merchandise: beginning of year	79,683	
Add: merchandise purchased	466,844	
Less: merchandise, end of year	(69,262)	
transfer to other account title	(1,518)	
transfer to work in progress	(366,553)	
others	(4,149)	
Cost of goods sold of merchandise	105,045	
Cost of goods sold of finished goods and merchandise	1,758,302	
Add: underapplied fixed manufacturing overhead	79,871	
loss on scrap of inventories	2,344	
loss on inventory valuation	5,563	
others	233	
Less: gain on sales of scrap	(1,436)	
Total operating costs	$1,844,877	

TAIYEN BIOTECH CO.,LTD.

10. Table of manufacturing expenses

For the year ended 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Amount	Note
Indirect labor expenses	$159,173	The amount of other items in others does not exceed 5% of the account balance.
Water, electricity and gas expenses	52,143	
Processing fees	27,295	
Taxes	45,266	
Depreciation	123,367	
Outsourcing expenses	68,946	
Fuel expenses	68,668	
Other expenses	26,979	
Total	$571,837	

TAIYEN BIOTECH CO.,LTD.

11. Table of operating expenses

For the year ended 31 December 2023

(Expressed in thousands of New Taiwan Dollars)

Items	Marketing expenses	Administration expenses	Research and development expenses	Total	Note
Salary expenses	$166,952	$114,772	$31,667	$313,391	The amount of other items in others does not exceed 5% of the account balance.
Delivery expenses	120,443	280	72	120,795	
Advertisement expenses	127,217	664	84	127,965	
Insurance fees	13,025	9,779	2,345	25,149	
Depreciation	18,739	7,430	5,527	31,696	
Commission expenses	52,501	-	-	52,501	
Professional services fees	1,646	5,818	7,847	15,311	
Other expenses	65,365	34,816	10,859	111,040	
Total	$565,888	$173,559	$58,401	$797,848	

1737

TAIYEN BIOTECH CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED 31 DECEMBER 2023 AND 2022

WITH

REPORT OF INDEPENDENT AUDITORS

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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

I. HISTORY AND ORGANIZATION

1. Taiyen Biotech Co., Ltd. (the "Company"), formerly known as China Salt Company, was reorganized into a state-owned salt factory of Taiwan in 1951 and restructured into the main salt factory of Taiwan in 1952, which was under the charge of the Ministry of Economic Affairs. In 1995, the main salt factory was restructured and renamed as Taiyen Biotech Co., Ltd. As of 31 December 2023 and 2022, the Ministry of Economic Affairs held 38.88% ownership of Taiyen Biotech Co., Ltd. The Company's registered office and the main business location is at No.297, Sec. 1, Chien-Kang Rd., South District, Tainan, Republic of China (R.O.C.).

2. The Company became a listed company on the Taiwan Stock Exchange on 18 November 2003.

3. Current main business item:
   (1) Production, sales, import and export of the following products, by-products and their derivatives:
      A. Various salt products.
      B. Various seawater chemical products.
      C. Bath salt, bath salt milk, salt soap, algae soap, and shampoo.
      D. Beverage and drinking water.
      E. Toothpaste, salt mouthwash, and contact lenses maintenance liquid.
      F. Salt for washing vegetable, fruits and others.
      G. Food and food additives.
      H. Pharmaceuticals.
      I. Cosmetics manufacturing.
      J. Environmental medicine manufacturing.
   (2) Sales, imports and exports of daily necessities and cosmetic products.
   (3) Supply, introduction and management consulting of domestic and foreign industrial salt technology.

II. DATE AND PROCEDURES OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and subsidiaries (hereinafter referred to as "the Group") for the years ended 31 December 2023 and 2022 were authorized for issue by the Board of Directors on 11 March 2024.

III. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

1. Changes in accounting policies resulting from applying for the first time certain standards and amendments

   The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after 1 January 2023. The application of these new standards and amendments had no material impact on the Group.

2. Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
2	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
3	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024
4	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	1 January 2024

(1) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(2) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(3) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(4) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2024 and have no material impact on the Company.

3. Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
1	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
2	IFRS 17 "Insurance Contracts"	1 January 2023
3	Lack of Exchangeability – Amendments to IAS 21	1 January 2025

(1) IFRS 10"Consolidated Financial Statements" and IAS 28"Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(2) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(3) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after 1 January 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group determined that the newly published standards and interpretations have no material impact on the Group.

IV. SUMMARY OF MATERIAL ACCOUNTING POLICIES

1. Statement of compliance

The consolidated financial statements of the Group for the years ended 31 December 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”), IFRS, IAS, IFRIC and SIC which endorsed by FSC (TIFRSs).

2. Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise stated.

3. Basis of consolidation

<u>Preparation principle of consolidated financial statement</u>

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
(1) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(2) exposure, or rights, to variable returns from its involvement with the investee, and
(3) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
(1) the contractual arrangement with the other vote holders of the investee
(2) rights arising from other contractual arrangements
(3) the Group’s voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognizes the carrying amount of any non-controlling interest;
(3) recognizes the fair value of the consideration received;
(4) recognizes the fair value of any investment retained;
(5) reclassifies the parent’s share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
(6) recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			31 Dec. 2023	31 Dec. 2022
The Company	TAIYEN BIOTECH (SAMOA) CO., LTD. (TAIYEN SAMOA)	Reinvestment business	100%	100%
The Company	TAIYEN GREEN ENERGY CO., LTD. (TAIYEN GREEN ENERGY)	Energy related business	66.75%	66.75%
TAIYEN SAMOA	TAIYEN BIOTECH CO., LIMITED (TAIYEN HONG KONG)	Reinvestment business	100%	100%
TAIYEN HONG KONG	TAIYEN (XIAMEN) IMPORT&EXPORT CO., LTD.(TAIYEN (XIAMEN))	Commodity trading, import and export business	100%	100%

4. Foreign currency transactions

The Group’s consolidated financial statements are presented in NT$, which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(2) Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

5. Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

(a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
(b) when the retained interest after the partial disposal of an interest in a joint arrangement or partial disposal of an interest in an associate that includes a foreign operation is financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

6. Current and non-current distinction

An asset is classified as current when:

(1) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(2) The Group holds the asset primarily for the purpose of trading.
(3) The Group expects to realize the asset within twelve months after the reporting period.
(4) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(1) The Group expects to settle the liability in its normal operating cycle.
(2) The Group holds the liability primarily for the purpose of trading.
(3) The liability is due to be settled within twelve months after the reporting period.
(4) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

7. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(1) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group’s business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(2) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivable or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note XII for further details on credit risk.

(3) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired.

B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(4) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(5) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

9. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(1) In the principal market for the asset or liability, or
(2) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

10. Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

11. Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3～40 years
Buildings	2～65 years
Machinery and equipment	2～50 years
Transportation equipment	2～20 years
Other equipment	2～30 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

12. Investment properties

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Land improvements	3～35 years
Buildings	9～55 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.
The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

13. Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:
(1) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(2) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

<u>Group as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(1) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(3) amounts expected to be payable by the lessee under residual value guarantees;
(4) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(5) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made. At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(1) the amount of the initial measurement of the lease liability;
(2) any lease payments made at or before the commencement date, less any lease incentives received;
(3) any initial direct costs incurred by the lessee; and
(4) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

<u>Group as a lessor</u>

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

14. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

<u>Computer software</u>

The cost of computer software is amortized on a straight-line basis over the estimated useful life (2 to 10 years).

15. Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

16. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

When the unavoidable cost of meeting the obligations under the contract exceeds the expected receivable economic benefits from the contract, the provision of onerous contract should be recognized.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arose on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Provision for Warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

17. Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods, rendering of services and sale of solar power. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is high-end machinery and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Group's sale of goods is from 90 to 150 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Beside, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

Rendering of services

The Group provides solar engineering design, application services and professional integration services. Throughout the process of providing labor services, the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced, meets the criteria which satisfies a performance obligation and recognizes revenue over time.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not has a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

When the outcome of the construction contract could not be reasonably estimated, cost recovery method would be applied. Revenue could only be recognized to the same amount of costs incurred.

When the situation changes, the estimation of revenue, costs and stage of completion should be revised. During the period that the management was informed, the changes should be reflected on the income.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

Construction Contract

The Group mostly provides solar energy construction services. As the Group provides the services over the contract period, the customers simultaneously receive control of the asset. Hence, the related revenue is recognized by the percentage of completion method over the contract period.

Most of the contractual considerations of the Group are collected evenly throughout the contract periods. When the Group has performed the services to customers but does not have a right to an amount of consideration that is unconditional, these contracts should be presented as contract assets. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, and the Group has the obligation to provide the services subsequently; accordingly, these amounts are recognized as contract liabilities.

When the outcome of the construction contract could not be reasonably estimated, cost recovery method would be applied. Revenue could only be recognized to the same amount of costs incurred.

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The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

Sale of solar power

The Group recognizes revenue based on the actual amount of electricity sold and the rate charged, starting from the date on which it obtains the equipment registration letter from the Energy Administration. The revenue from electricity sales is calculated monthly from the date when Taiwan Power Company installed the meter at the premises of the Group as agreed.

18. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

19. Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:
(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

20. Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

21. Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(1) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(1) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(2) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

V. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Judgement

In the process of applying the Group’s accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Operating lease commitment-Group as the lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Revenue recognition from service contracts and construction contracts

The Group recognizes revenue from service contracts and construction contracts by using the input method to measure the percentage of completion. The percentage of completion is estimated based on the proportion of contract costs incurred to the estimated total contract costs to determine the percentage of completion of the contract.

The estimates of total costs and contract items which are determined by management based on the nature of different projects, expected contract amount, duration, implementation methods of project, etc., which may affect the calculation of the percentage of completion.

2. Estimation and assumptions

The key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Fair value of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including income approach (for example the discounted cash flow model) or the market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note XII for more details.

(2) Net realizable value of inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note VI for more details.

(3) Fair value of investment properties

When the fair value of investment properties cannot be quoted in the active market, the fair value is measured via the fair value model, including income approach – discounted cash flow method, or market approach. The changes of appraisal parameters used in the assessments will vary the fair value of investment properties. Please refer to Note VI for more details.

(4) Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note VI.

(5) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the rate discount and changes of the future salary etc.

For more details of the principal assumptions used to measure the cost of post-employment benefit and the pension obligation, please refer to Note VI.

(6) Revenue recognition-sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the above-mentioned sales returns and allowance, on the basis of highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note VI for more details.

(7) Trade receivables–estimation of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note VI for more details.

(8) Provision

The Group estimates provision for onerous contracts based on historical experience and other known factors.

The Group regularly assesses the likelihood and related legal costs of obligations arising from legal lawsuits, and when the present obligation is probable and the amount can be reasonably estimated, the Group recognizes provision for the legal matters.

(9) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

VI. CONTENTS OF SIGNIFICANT ACCOUNTS

1. Cash and cash equivalents

	As at	
	31 Dec. 2023	31 Dec. 2022
Cash on hand	$1,122	$1,161
Saving account	498,468	638,320
Cash equivalents		
Time deposits with maturities within 12 months	945,144	889,617
Total	$1,444,734	$1,529,098

Cash and cash equivalents were not pledged.

2. Financial assets at fair value through profit or loss

	As at	
	31 Dec. 2023	31 Dec. 2022
Mandatorily measured at fair value through profit or loss:		
Funds	$390,613	$353,179
Current	$390,613	$353,179

Financial assets at fair value through profit or loss were not pledged.

3. Financial assets measured at amortized cost

	As at	
	31 Dec. 2023	31 Dec. 2022
Time deposits	$36,379	$36,379
Saving accounts ─ reimbursement account	1,816	2,525
Total	$38,195	$38,904
Current	$4,235	$4,944
Non-current	33,960	33,960
Total	$38,195	$38,904

Please refer to Note VI(16) for more details on loss allowance and Note VIII for more details on financial assets measured at amortized cost under pledge and Note XII for more details on credit risk.

4. Notes receivable

	As at	
	31 Dec. 2023	31 Dec. 2022
Notes receivable arising from operating activities	$2,679	$2,006
Less: loss allowance	-	-
Total	$2,679	$2,006

Notes receivable were not pledged.

The Group follows the requirement of IFRS 9 to assess the impairment . Please refer to Note VI(16) for more details on loss allowance and Note XII for details on credit risk.

5. Trade receivables

	As at	
	31 Dec. 2023	31 Dec. 2022
Trade receivables	$340,863	$175,650
Less: loss allowance	(73,691)	(132)
Total	$267,172	$175,518

Trade receivables were not pledged.

Trade receivables are generally on 90-150 day terms. The total carrying amount as of 31 December 2023 and 2022 were NT$340,863 thousand and NT$175,650 thousand, respectively.

Please refer to Note VI(16) for more details on loss allowance of trade receivables for the years ended 31 December 2023 and 2022 and Note XII for more details on credit risk management.

6. Inventories

	As at	
	31 Dec. 2023	31 Dec. 2022
Raw materials	$28,932	$38,163
Supplies and parts	91,460	94,325
Work in progress	19,711	20,216
Finished goods	186,828	176,386
Merchandise	67,804	78,276
Total	$394,735	$407,366

The cost of inventories recognized in expenses amounts to NT$1,840,406 thousand and NT$1,822,410 thousand for the years ended 31 December 2023 and 2022, including the write-down of inventories of NT$4,768 thousand and NT$6,429 thousand for the years ended 31 December 2023 and 2022.

No inventories were pledged.

7. Property, plant and equipment

	As at	
	31 Dec. 2023	31 Dec. 2022
Owner occupied property, plant and equipment	$3,872,461	$3,674,664

	Land	Land improvements	Buildings	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost:								
As at 1 Jan. 2023	$1,816,038	$193,061	$1,353,839	$2,808,636	$27,932	$117,415	$440,464	$6,757,385
Additions	-	-	289	1,191	30	3,064	339,721	344,295
Disposals	-	(364)	(864)	(57,742)	(541)	(2,144)	-	(61,655)
Transfers	-	3,679	43,753	93,615	519	6,128	(147,694)	-
Exchange differences	-	-	-	-	-	(10)	-	(10)
Other changes	-	-	26,387	6,283	-	72	-	32,742
As at 31 Dec. 2023	$1,816,038	$196,376	$1,423,404	$2,851,983	$27,940	$124,525	$632,491	$7,072,757
As at 1 Jan. 2022	$1,736,142	$190,106	$1,322,188	$2,815,049	$29,140	$114,977	$323,040	$6,530,642
Additions	-	-	1,400	6,790	206	1,455	236,547	246,398
Disposals	-	(809)	(2,084)	(76,095)	(1,873)	(10,182)	-	(91,043)
Transfers	-	3,902	34,444	69,069	459	11,157	(119,031)	-
Exchange differences	-	-	-	-	-	8	-	8
Other changes	79,896	(138)	(2,109)	(6,177)	-	-	(92)	71,380
As at 31 Dec. 2022	$1,816,038	$193,061	$1,353,839	$2,808,636	$27,932	$117,415	$440,464	$6,757,385
Depreciation and impairment:								
As at 1 Jan. 2023	$5,356	$162,624	$814,957	$1,983,049	$20,436	$96,299	$-	$3,082,721
Depreciation	-	6,556	43,528	102,978	2,170	8,789	-	164,021
Disposals	-	(364)	(647)	(56,475)	(541)	(2,140)	-	(60,167)
Transfers	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	(9)	-	(9)
Other changes	-	-	13,730	-	-	-	-	13,730
As at 31 Dec. 2023	$5,356	$168,816	$871,568	$2,029,552	$22,065	$102,939	$-	$3,200,296
As at 1 Jan. 2022	$5,356	$156,817	$776,005	$1,957,863	$20,177	$97,686	$-	$3,013,904
Depreciation	-	6,621	43,067	100,523	2,128	7,782	-	160,121
Disposals	-	(809)	(2,023)	(75,742)	(1,869)	(9,177)	-	(89,620)
Transfers	-	-	-	-	-	-	-	-
Exchange differences	-	-	-	-	-	8	-	8
Other changes	-	(5)	(2,092)	405	-	-	-	(1,692)
As at 31 Dec. 2022	$5,356	$162,624	$814,957	$1,983,049	$20,436	$96,299	$-	$3,082,721
Net carrying amount as at:								
As at 31 Dec. 2023	$1,810,682	$27,560	$551,836	$822,431	$5,875	$21,586	$632,491	$3,872,461
As at 31 Dec. 2022	$1,810,682	$30,437	$538,882	$825,587	$7,496	$21,116	$440,464	$3,674,664

Please refer to Note VIII for more details on property, plant and equipment under pledge.

8. Investment properties

	Land	Land improvements	Buildings	Total
Cost：				
As at 1 Jan. 2023	$941,735	$5,663	$467,061	$1,414,459
Disposals	-	-	-	-
Other changes	-	(2,467)	(23,920)	(26,387)
As at 31 Dec. 2023	$941,735	$3,196	$443,141	$1,388,072
As at 1 Jan. 2022	$1,021,631	$5,525	$465,040	$1,492,196
Disposals	-	-	(88)	(88)
Other changes	(79,896)	138	2,109	(77,649)
As at 31 Dec. 2022	$941,735	$5,663	$467,061	$1,414,459
Depreciation and impairment：				
As at 1 Jan. 2023	$5,715	$4,939	$144,056	$154,710
Depreciation	-	99	12,931	13,030
Disposals	-	-	-	-
Other changes	-	(2,467)	(11,263)	(13,730)
As at 31 Dec. 2023	$5,715	$2,571	$145,724	$154,010
As at 1 Jan. 2022	$5,715	$4,834	$128,884	$139,433
Depreciation	-	100	13,166	13,266
Disposals	-	-	(86)	(86)
Other changes	-	5	2,092	2,097
As at 31 Dec. 2022	$5,715	$4,939	$144,056	$154,710
Net carrying amount as at:				
31 Dec. 2023	$936,020	$625	$297,417	$1,234,062
31 Dec. 2022	$936,020	$724	$323,005	$1,259,749

	For the years ended 31 December	
	2023	2022
Rental income from investment property	$32,518	$28,549
Less: Direct operating expenses from investment property generating rental income	(24,097)	(24,586)
Direct operating expenses from investment property not generating rental income	(145)	(566)
Total	$8,276	$3,397

No investment properties were pledged.

As of 31 December 2023 and 2022, the fair value of investment properties held by the Group amounted to NT$4,081,258 thousand and NT$3,832,697 thousand, respectively. The above-mentioned fair value was assessed by independent external valuation professionals, and was classified at level 3.

Fair value has been determined under the support of market evidence. Leased plants and lands in the signed lease contract, should be assessed using the income approach. Construction lands should be comprehensively assessed using the land development analysis approach of the comparison method and the cost approach, among which farming and grazing lands are subject to development restrictions therefore can only be assessed using the comparison method. Buildings should be assessed using the cost method, below are the parameters mainly used:

Income approach: An approach that the subject property which apply an appropriate capitalization rate on the date of value opinion to capitalize the average objective annual net operating income in the future into an indication of value.

	As at	
	31 Dec. 2023	31 Dec. 2022
Average income capitalization rate	1.19%-1.34%	1.20%

Comparison method: A method based on the value of the comparable properties is through comparison, analysis, adjustment and other means to estimate the value of the subject property in comparison.

	As at	
	31 Dec. 2023	31 Dec. 2022
Condition adjustment percentage	100%	100%
Date adjustment percentage	100%-104%	100%-103%
Local factor adjustment percentage	85%-103%	85%-102%
Individual factor adjustment percentage	86%-105%	87%-107%

Cost approach: An approach to estimate the value of the subject property, by deducting the accrued depreciation or other item due to be subtracted from the reproduction or replacement cost, based on the date of value opinion.

	As at	
	31 Dec. 2023	31 Dec. 2022
Residual price rate	0.9%-10%	1.8%-10%
Residual service life	0-25.4 years	0-26.4 years

9. Other non-current assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Tourism assets	$3,854	$4,624
Other non-current assets - other	20,279	23,012
Total	$24,133	$27,636

Tourism assets is mainly the Salt Mountain in Cigu. In order to operate in the tourism and travel industry, and preserve the salt history of Taiwan, the salt mountains were recognized as the tourism assets in 2009 and amortized in twenty years based on its future economic benefits.

Other assets are mainly purchased and recognized as materials by the Group and transferred to other assets according to their nature, amortized in three to five years based on their future economic benefits.

The amortization costs of the Group’s tourism assets in 2023 and 2022 both amounted to NT$771 thousand, booked under non-operating income and expenses – other gain and loss.

The amortization costs of the Group’s operating costs and expenses in 2023 and 2022 amounted to NT$7,981 thousand and NT$7,834 thousand, respectively.

10. Short-term borrowings (Note)

	Interest	As at	
	Rates (%)	31 Dec. 2023	31 Dec. 2022
Unsecured bank loans	1.81%~1.95%	$100,000	$20,000

The Group’s unused short-term lines of credits amount to NT$278,153 thousand and NT$659,552 thousand as at 31 December 2023 and 2022, respectively.

(Note) Subsidiary - Taiyen Green Energy Co., Ltd. engaged in borrowing to replenish capital.

11. Long-term borrowings (Note)

Details of long-term loans as at 31 December 2023 and 2022 are as follows:

Lenders	As at 31 Dec. 2023	Interest Rate	Maturity date and terms of repayment
Taishin International Bank – secured bank loan	$48,794	1.57%	From 16 June 2020 to 16 June 2035, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$357 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	3,034	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$19 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	10,432	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$66 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	6,667	2.05%	From 20 December 2022 to 20 December 2025, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT$278 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	18,889	1.90%~ 2.05%	From 20 October 2023 to 20 October 2026, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT$556 thousand. The remaining principal and interest shall be paid in full by the last installment.
Subtotal	87,816		
Less: current portion	(15,313)		
Total	$72,503		

Lenders	As at 31 Dec. 2022	Interest Rate	Maturity date and terms of repayment
Taishin International Bank – secured bank loan	$53,082	1.57%	From 16 June 2020 to 16 June 2035, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$357 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	3,265	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$19 thousand. The remaining principal and interest shall be paid in full by the last installment.
Taishin International Bank – secured bank loan	11,226	1.57%	From 15 March 2022 to 15 March 2037, with interest payable monthly from the start date. Principal is repaid in 180 monthly installments in the amount of NT$66 thousand. The remaining principal and interest shall be paid in full by the last installment.
First Commercial Bank – secured bank loan	10,000	1.78%~ 1.93%	From 20 December 2022 to 20 December 2025, with interest payable monthly from the start date. Principal is repaid in 36 monthly installments in the amount of NT$278 thousand. The remaining principal and interest shall be paid in full by the last installment.
Subtotal	77,573		
Less: current portion	(8,646)		
Total	$68,927		

(Note) Subsidiary - Taiyen Green Energy Co., Ltd. engaged in borrowing to replenish capital.

Please refer to Note VIII for aforementioned long-term borrowings' secured and mortgage information.

12. Deferred revenue

	As at	
	31 Dec. 2023	31 Dec. 2022
Deferred revenue	$307,188	$320,053

Note1: The Group signed a real estate lease contract with Quanhua Investment Co., Ltd. on 19 April 2012 in order to activate the land asset (the lease period was from 25 April 2012 to 24 April 2047, a total of 35 years.) Five parcels of land located in Emei Section 750, 750-1, 751, 752, and Yancheng Section 781 at Taoyuan City were leased to Quanhua Investment Co., Ltd., with the lessee being the builder of the buildings for the Group (the proprietor and the applicant for the first registration of the ownership of the building are both the Group). After the construction was completed, the new building and the underlying property of the lease will be operated by Quanhua Investment Co., Ltd., and Quanhua Investment Co., Ltd. should pay rent and royalties. The construction cost of the new building totaled NT$400,000 thousand (tax included). According to the regulations, it should be regarded as the rental income of the Group and amortized using the residual years after the completion and actual operation. The unamortized amount as of 31 December 2023 was NT$282,636 thousand (tax included).

Note2：The Group and the Tainan Technology Industrial Park Service Center of the Industrial Development Bureau, Ministry of Economic Affairs signed a land lease agreement for the Biotechnology Plant No.1 and the R&D Center. During the lease period, the Group applied to purchase the leased land of the Biotechnology Plant No.1 under the land leasing regulations of the Tainan Technology Industrial Park. The leased land was acquired at the original price when the lease was approved and the contract was signed, the rent paid during the lease period can be used to offset the payment without interest. Since April 2016, the rent paid has been recognized in deferred income and amortized using the residual service life of Biotechnology Plant No.1. As of 31 December 2023 the unamortized amount was NT$24,552 thousand.

13. Post-employment benefits

Defined contribution plan

The Group adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group will make monthly contributions of no less than 6% of the employees’ monthly wages to the employees’ individual pension accounts. The Group has made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2023 and 2022 were NT$17,773 thousand and NT$17,531 thousand, respectively.

Defined benefits plan

The Group adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 2%～15% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before end of each year, the Group and subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the following year, the Group will make up the difference in one appropriation before the end of March of the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$14,915 thousand to its defined benefit plan during the 12 months beginning after 31 December 2023.

The defined benefit obligations were both expected to mature in 2033 as of 31 December 2023 and 2022, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended 31 December	
	2023	2022
Current periods service costs	$8,038	$9,276
Net interest on the net defined benefit liabilities	979	587
Total	$9,017	$9,863

Reconciliations of liability (assets) of the defined benefit obligation and plan assets at fair value are as follows:

	As at		
	31 Dec. 2023	31 Dec. 2022	1 Jan. 2022
Defined benefit obligation	$340,624	$305,434	$345,132
Plan assets at fair value	(246,586)	(243,047)	(236,326)
Net defined benefit liabilities	$94,038	$62,387	$108,806

Reconciliations of liabilities of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (assets)
As at 1 January 2022	$345,132	$(236,326)	$108,806
Current period service costs	9,276	-	9,276
Interest expense (income)	1,863	(1,276)	587
Subtotal	356,271	(237,602)	118,669
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(18,385)	-	(18,385)
Experience adjustments	(4,148)	-	(4,148)
Remeasurements of the defined benefit assets	-	(18,536)	(18,536)
Subtotal	(22,533)	(18,536)	(41,069)
Payments from the plan	(28,304)	28,304	-
Contributions by employer	-	(15,213)	(15,213)
As at 31 December 2022	$305,434	$(243,047)	$62,387
Current period service costs	8,038	-	8,038
Interest expenses (income)	4,795	(3,816)	979
Subtotal	318,267	(246,863)	71,404
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	252	-	252
Actuarial gains and losses arising from changes in financial assumptions	9,958	-	9,958
Experience adjustments	27,748	-	27,748
Remeasurements of the defined benefit assets	-	(409)	(409)
Subtotal	37,958	(409)	37,549
Payments from the plan	(15,601)	15,601	-
Contributions by employer	-	(14,915)	(14,915)
As at 31 December 2023	$340,624	$(246,586)	$94,038

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As at	
	31 Dec. 2023	31 Dec. 2022
Discount Rate	1.28%	1.57%
Expected rate of salary increases	3.00%	3.00%

A sensitivity analysis for significant assumption as at 31 December 2023 and 2022 is, as shown below:

	Effect on the defined benefit obligation			
	For the years ended 31 December			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.5%	-	16,941	-	15,776
Discount rate decrease by 0.5%	18,196	-	16,986	-
Future salary increase by 0.5%	17,791	-	16,658	-
Future salary decrease by 0.5%	-	16,746	-	15,638

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

14. Equity

(1) Common stock

As of 31 December 2022 and 2021 the Group’s authorized common stock both amounted to NT$8,000,000 thousand. The outstanding common stock were both NT$2,000,000 thousand, divided into 200,000 thousand shares and at NT$10 par value. Each share has one voting right and a right to receive dividends.

(2) Capital surplus

	As at	
	31 Dec. 2023	31 Dec. 2022
Additional paid-in capital	$2,477,486	$2,477,486
Donated assets received	8,775	8,775
Changes in ownership interests in subsidiaries	15,317	15,317
Other	204	140
Total	$2,501,782	$2,501,718

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the Company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(3) Retained earnings and dividend policies

The Company's Articles of Incorporation provide that the 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 combined with all or part of the accumulated undistributed surplus, of which the cash portion should not be less than 50%.

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The Board of Directors shall make the distribution proposal annually and present it at the shareholders' meeting. The Company's Articles of Incorporation further provide that no more than 90% of the dividends to shareholders, if any, could be paid in the form of share dividends. Accordingly, at least 10% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

On 31 March 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

As of 31 December 2023 and 2022, the Company adopted the IFRS for the first time that the special reserve amounted to both NT$45,420 thousand.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved at the board of directors’ meeting and shareholders’ meeting held on 11 March 2024 and 19 June 2023, respectively, are as follows:

	For the years ended 31 December			
	Appropriation of earnings		Cash dividends per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$27,035	$46,085		
Cash dividends	240,000	300,000	$1.2	$1.5

Please refer to Note VI (18) for details on employees’ compensation and remuneration to directors.

(4) Non-controlling interests

	For the years ended 31 December	
	2023	2022
Beginning balance	$140,690	$152,203
Profit (loss) attributable to non-controlling interests	(83,090)	812
Subsidiary distributes cash dividends to non-controlling interests	-	(12,325)
Ending balance	$57,600	$140,690

15. Operating revenue

	For the years ended 31 December	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$3,168,668	$3,043,360
Revenue arising from rendering of services	144,776	264,704
Construction contract revenue	79,933	293,251
Electricity sales revenue	15,434	12,292
Total	$3,408,811	$3,613,607

Analysis of revenue from contracts with customers for the years ended 31 December 2023 and 2022 are as follows:

(1) Disaggregation of revenue

For the year ended 31 December 2023:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Other Dept.	Total
Sales of goods	$2,636,482	$474,589	$-	$57,597	$3,168,668
Rendering of services	-	-	144,776	-	144,776
Construction revenue	-	-	79,934	-	79,934
Electricity sales revenue	-	-	12,526	2,907	15,433
Total	$2,636,482	$474,589	$237,236	$60,504	$3,408,811
Timing of revenue recognition:					
At a point in time	$2,636,482	$474,589	$12,526	$60,504	$3,184,101
Over time	-	-	224,710	-	224,710
Total	$2,636,482	$474,589	$237,236	$60,504	$3,408,811

For the year ended 31 December 2022:

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Other Dept.	Total
Sales of goods	$2,481,820	$515,910	$-	$45,630	$3,043,360
Rendering of services	-	-	264,704	-	264,704
Construction revenue	-	-	293,251	-	293,251
Electricity sales revenue	-	-	12,292	-	12,292
Total	$2,481,820	$515,910	$570,247	$45,630	$3,613,607
Timing of revenue recognition:					
At a point in time	$2,481,820	$515,910	$12,292	$45,630	$3,055,652
Over time	-	-	557,955	-	557,955
Total	$2,481,820	$515,910	$570,247	$45,630	$3,613,607

(2) Contract balances

A. Contract assets - current

	As at		
	31 Dec. 2023	31 Dec. 2022	1 Jan. 2022
Rendering of services	$393,380	$472,758	$562,007

The significant changes in the Group’s balances of contract assets for the years ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to trade receivable	$(166,712)	$(489,927)
Change in the measure of progress	105,763	419,337
Impairment	(18,429)	(18,659)

B. Contract liabilities - current

	As at		
	31 Dec. 2023	31 Dec. 2022	1 Jan. 2022
Sales of goods	$34,139	$46,787	$37,144
Rendering of services	63,895	55,443	41,876
Total	$98,034	$102,230	$79,020

The significant changes in the Group's balances of contract liabilities for the years ended 31 December 2023 and 2022 are as follows:

	For the years ended 31 December	
	2023	2022
The opening balance transferred to revenue	$(103,522)	$(54,278)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	99,326	77,488

(3) Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations (including partially unsatisfied) amounted to NT$1,024,012 thousand and NT$1,112,377 thousand as at 31 December 2023 and 2022, respectively. Revenue was recognized using the degree of completion of performance obligations.

16. Expected credit losses / (gains)

	For the years ended 31 December	
	2023	2022
Operating expense- Expected credit losses/gains		
Contract assets	$-	$-
Notes receivable	-	-
Trade receivables	73,559	-
Other receivables	8,013	-
Total	$81,572	$-

Please refer to Note XII for more details on credit risk.

The credit risk for measured at amortized cost is assessed as low. Therefore, the loss allowance is measured at an amount equal to 12-month expected credit losses. As the Group transacts with are financial institutions with good credit, no allowance for losses has been provided for the years ended 31 December 2023 and 2022.

The Group measures the loss allowance of its contract assets, trade receivables (including note receivables and trade receivables) and other receivables at an amount equal to lifetime expected credit losses. The assessment of the Group’s loss allowance as of 31 December 2023 and 2022 is as follow:

(1) As of 31 December 2023 and 2022 the total book value of contract asset was NT$430,468 thousand and NT$491,417 thousand, respectively; and the amount of loss allowance measured by the expected credit loss rate of 0% was NT$0 thousand.

(2) The Group considers the trade receivables by the counterparties’ credit rating, by geographical region and by industry sector, and the Group individually assesses and provides for losses for the counterparties with overdue receivables. As of 31 December 2023 and 2022, the individually assessed amounts were NT$179,883 thousand and NT$0 thousand, respectively, and the loss allowances amounted to NT$73,559 thousand and NT$0 thousand. The other loss allowance is measured by using a provision matrix with a rate of 0.08%. The details are as follows:

As at 31 December 2023

	Not yet due	Overdue			
	(Note)	<=90 days	90-180 days	>=180 days	Total
Gross carrying amount	$163,578	$81	$-	$-	$163,659
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					$163,527

Note: The Group’s notes receivable were not overdue.

As at 31 December 2022

	Not yet due	Overdue			
	(Note)	<=90 days	90-180 days	>=180 days	Total
Gross carrying amount	$177,656	$-	$-	$-	$177,656
Loss rate					0.08%
Lifetime expected credit losses					(132)
Carrying amount					$177,524

Note: The Group’s notes receivable were not overdue.

(3) The Group individually assesses and provides for losses for the counterparties with overdue other receivables. As of 31 December 2023 and 2022, the individually assessed amounts were NT$23,283 thousand and NT$0 thousand, respectively, and the loss allowance amounted to NT$8,013 thousand and NT$0 thousand.

The movement in the provision for impairment of contract assets, notes receivable, trade receivables and other receivables for the years ended 31 December 2023 and 2022 is as follows:

	Contract assets	Notes receivable	Trade receivables	Other receivables
Balance as at 1 Jan. 2023	$-	$-	$132	$-
Addition/(reversal) for the current period	-	-	73,559	8,013
Write off	-	-	-	-
Balance as at 31 Dec. 2023	$-	$-	$73,691	$8,013
Balance as at 1 Jan. 2022	$-	$-	$132	$-
Addition/(reversal) for the current period	-	-	-	-
Write off	-	-	-	-
Balance as at 31 Dec. 2022	$-	$-	$132	$-

17. Leases

(1) Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, and other equipment. The lease terms range from 1 to 20 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

A. Amounts recognized in the balance sheet

(a) Right-of-use assets

The carrying amount of right-of-use assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Land	$24,163	$26,127
Buildings	2,814	6,564
Transportation equipment	5,655	5,466
Other equipment	280	41
Total	$32,912	$38,198

For the years ended 31 December 2023 and 2022, the Group's additions to right-of-use assets amounted to NT$4,560 thousand, and NT$3,798 thousand, respectively.

(b) Lease liabilities

	As at	
	31 Dec. 2023	31 Dec. 2022
Lease liabilities	$32,354	$37,864
Current	$7,261	$9,270
Non-current	25,093	28,594
Total	$32,354	$37,864

Please refer to Note VI(19) for the interest on lease liabilities recognized for the years ended 31 December 2023 and 2022 and refer to Note XII(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of 31 December 2023 and 2022.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended 31 December	
	2023	2022
Land	$1,964	$1,964
Buildings	3,749	4,253
Transportation equipment	4,052	4,219
Other equipment	81	55
Total	$9,846	$10,491

C. Income and costs relating to leasing activities

	For the years ended 31 December	
	2023	2022
The expenses relating to short-term leases	$2,448	$3,268

D. Cash outflow relating to leasing activities

For the years ended 31 December 2023 and 2022, the Group’s total cash outflows for leases amounted to NT$13,257 thousand and NT$14,647 thousand, respectively.

(2) Group as a lessor

Please refer to Note VI(8) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended 31 December	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$32,578	$28,609

Please refer to Note VI(8) for relevant disclosure of property, plant and equipment for operating leases under IFRS 16. For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at 31 December 2023 and 2022 are as follow:

	As at	
	31 Dec. 2023	31 Dec. 2022
Not later than one year	$27,189	$27,636
Later than one year but not later than two years	24,934	24,707
Later than two years but not later than three years	25,266	25,533
Later than three years but not later than four years	25,562	25,048
Later than four years but not later than five years	25,562	25,343
Later than five years	413,443	435,874
Total	$541,956	$564,141

18. Employee benefit, depreciation, and amortization expenses by function are summarized as follows:

	For the years ended 31 December					
	2023			2022		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$212,829	$331,757	$544,586	$213,333	$327,803	$541,136
Labor and health insurance	19,945	26,753	46,698	19,309	26,687	45,996
Pension	13,593	13,197	26,790	13,419	13,975	27,394
Other employee benefits expense	10,214	12,789	23,003	10,940	15,015	25,955
Depreciation	131,164	55,733	186,897	128,752	55,126	183,878
Amortization	6,869	4,293	11,162	6,663	4,407	11,070

According to Article of Incorporation, 2.25~3.75% of profit of the current year is distributable as employees' compensation and no higher than 1.5% of profit of the current year is distributable as remuneration to directors, excluding independent directors.

The director's remuneration of the Company is directly related to the company's operating performance during the year. The director's remuneration is high when the company's operating performance is good. The director's remuneration will be submitted to the remuneration committee for review to avoid future risks.

The Company's managers and employees' overall salary and remuneration package mainly includes basic salary, bonus, employee remuneration and other benefits. With respect to the standard of remuneration payment, the basic salary is based on the market salary level of the position held by the employee and the Company's policy; the bonus and employee remuneration are directly linked to the Company's operating performance during the current year, and the welfare complies with the laws and regulations, taking into account the employee's needs to design the measures that all employees can share.

Information on the board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit level, the Company estimated the employees' compensation and remuneration to directors for year ended 31 December 2023 to be 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remunerate on to directors for the year ended 31 December 2023 amount to NT$16,305 thousand and NT$6,522 thousand, respectively. A resolution was passed at the Board of Directors meeting held on 11 March 2024 to distribute employees' compensation and remuneration to directors of 2023 in cash at rates of 3.22% and 1.29%, amounting to NT$14,000 thousand and NT$5,609 thousand, respectively. Differences between the estimated amount and the actual distribution amount of the employee compensation and remuneration to directors for the year ended 31 December 2023 were NT$2,305 thousand and NT$913 thousand, respectively, which were recognized in profit or loss of the subsequent year in 2024.

The Company distributed employees' compensation and remuneration to directors and for year ended 31 December 2022 at 3.75% of profit of the year and 1.5% of profit of the year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors for the year ended 31 December 2022 amounted to NT$20,908 thousand and NT$8,363 thousand, respectively. No differences existed between the estimated amount and the actual distribution of employee compensation and remuneration to directors for the year ended 31 December 2022.

19. Non-operating income and expenses

(1) Other income

	For the years ended 31 December	
	2023	2022
Rental income	$32,578	$28,609
Interest income		
Financial assets measured at amortized cost	35,929	17,875
Others	44,531	75,095
Total	$113,038	$121,579

Other income is mainly tourism income and parking fees of Cigu Salt Mountain.

(2) Other gains and losses

	For the years ended 31 December	
	2023	2022
(Losses) on disposal of property, plant and equipment	$(1,279)	$(1,279)
(Losses) on disposal of investment properties	-	(2)
Foreign exchange (losses) gains, net	(5,667)	58,690
Gains (losses) on financial assets at fair value through profit or loss	7,434	(360)
(Losses) on disaster	(4,134)	(5,538)
Gain on lease modification	-	23
(Losses) on indemnities (Note 1)	(19,878)	(22,055)
Other expenses (Note 2)	(70,477)	(60,998)
Total	$(94,001)	$(31,519)

Note 1: Taiyen Green Energy failed to properly store the materials provided by the owner; consequently, these materials were damaged and required compensation to the owner according to the contract in the year 2022.

Taiyen Green Energy accrued the negotiated compensation to the landowners and cultivators for the damages caused by the construction of the power plant, with the payment being completed by 31 December 2023.

Note 2: Other expenses is mainly depreciation expenses of Cigu Salt Mountain's property, plant and equipment, maintenance expenses, and currency remittance commissions.

(3) Finance costs

	For the years ended 31 December	
	2023	2022
Interest on borrowings from bank	$(2,428)	$(3,707)
Interest on lease liabilities	(739)	(759)
Other interest expenses	(182)	(57)
Total	$(3,349)	$(4,523)

20. Components of other comprehensive income

For the year ended 31 December 2023:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	$(37,549)	$-	$7,510	$(30,039)
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	(386)	-	-	(386)
Total other comprehensive income (loss)	$(37,935)	$-	$7,510	$(30,425)

For the year ended 31 December 2022:

	Arising during the period	Reclassification adjustments during the period	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:				
Remeasurements of defined benefit plans	$41,070	$-	$(8,214)	$32,856
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	206	-	-	206
To be reclassified to profit or loss in subsequent periods:				
Exchange differences resulting from translating the financial statements of foreign operations	242	-	-	242
Total other comprehensive (loss) income	$41,518	$-	$(8,214)	$33,304

21. Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are as follows:

Income tax expense recognized in profit or loss

	For the years ended 31 December	
	2023	2022
Current income tax expense:		
Current income tax charge	$116,162	$99,479
Adjustments in respect of current income tax of prior periods	(2,226)	(3,442)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(2,116)	7,034
Total income tax expense	$111,820	$103,071

Income tax relating to components of other comprehensive income

	For the years ended 31 December	
	2023	2022
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$(7,510)	$8,214
Income tax relating to components of other comprehensive income	$(7,510)	$8,214

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended 31 December	
	2023	2022
Accounting profit before tax from continuing operations	$329,116	$530,587
Tax at the domestic rates applicable to profits in the country concerned	$32,998	$106,445
Tax effect of revenues exempt from taxation	31,874	(254)
Tax effect of expenses not deductible for tax purposes	61	14
Tax effect of deferred tax assets/liabilities	49,113	(401)
Corporate income surtax on undistributed retained earnings	-	709
Adjustments in respect of current income tax of prior periods	(2,226)	(3,442)
Total income tax expense recognized in profit or loss	$111,820	$103,071

Deferred tax assets (liabilities) related to the following:

For the year ended 31 December 2023

	Beginning balance as at 1 Jan. 2023	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2023
Temporary differences				
Unrealized allowance for inventory valuation losses	$7,443	$1,113	$-	$8,556
Unrealized exchange losses (gains)	5,037	1,155	-	6,192
Unrealized sales returns and allowance	6,607	814	-	7,421
Unallocated fixed manufacturing overhead	1,515	245	-	1,760
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	8,454	(65)	-	8,389
Onerous contract loss	815	(54)	-	761
Compensated absence	3,610	86	-	3,696
Deferred income	333	231	-	564
Net defined benefit liability, non-current	12,517	(1,180)	7,510	18,847
Employee welfare committee established	240	(80)	-	160
Others	24,660	(149)	-	24,511
Deferred tax income (expenses)		$2,116	$7,510	
Net deferred tax assets /(liabilities)	$37,892			$47,518
Reflected in balance sheet as follows:				
Deferred tax assets	$72,124			$81,899
Deferred tax liabilities	$(34,232)			$(34,381)

For the year ended 31 December 2022

	Beginning balance as at 1 Jan. 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at 31 Dec. 2022
Temporary differences				
Unrealized allowance for inventory valuation losses	$6,316	$1,127	$-	$7,443
Unrealized exchange losses (gains)	16,698	(11,661)	-	5,037
Unrealized sales returns and allowance	6,497	110	-	6,607
Unallocated fixed manufacturing overhead	1,417	98	-	1,515
Land appreciation tax preparation	(33,339)	-	-	(33,339)
Unrealized impairment loss	4,814	3,640	-	8,454
Onerous contract loss	-	815	-	815
Compensated absence	3,537	73	-	3,610
Deferred income	271	62	-	333
Net defined benefit liability, non-current	21,800	(1,069)	(8,214)	12,517
Employee welfare committee established	320	(80)	-	240
Others	24,809	(149)	-	24,660
Deferred tax income (expenses)		$(7,034)	$(8,214)	
Net deferred tax assets /(liabilities)	$53,140			$37,892
Reflected in balance sheet as follows:				
Deferred tax assets	$87,223			$72,124
Deferred tax liabilities	$(34,083)			$(34,232)

The assessment of income tax returns

As of 31 December 2023, the assessment of income tax returns of the Group is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Subsidiary - Taiyen Green Energy Co., Ltd.	Assessed and approved up to 2021

22. Earnings per share

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible bonds payable) by the weighted average number of ordinary shares outstanding during the years plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended 31 December	
	2023	2022
(1) Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT$)	$300,386	$426,704
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	200,000	200,000
Basic earnings per share (NT$)	$1.50	$2.13
(2) Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands NT$)	$300,386	$426,704
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	200,000	200,000
Effect of dilution:		
Employee compensation -stock (in thousands)	477	644
Weighted average number of ordinary shares outstanding after dilution (in thousands)	200,477	200,644
Diluted earnings per share (NT$)	$1.50	$2.13

There have been no other transactions involving shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

VII. RELATED PARTY TRANSACTIONS

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
CHERN FENG ENGINEERING TECH CO., LTD.	Substantive related party

Significant transactions with related parties

1. Purchases

	For the years ended 31 December	
	2023	2022
Substantive related party	$-	$18,648

The Group's purchases from related parties are not comparable to general transaction prices due to different types of merchandise, and the payment terms are approximately 40 to 70 days, which are comparable to general transactions.

2. Trade payables- related party

	As at	
	31 Dec. 2023	31 Dec. 2022
Substantive related party	$42,901	$46,865

3. Key management personnel compensation

	For the years ended 31 December	
	2023	2022
Short-term employee benefits	$21,459	$25,512
Post-employment benefits	238	595
Total	$21,697	$26,107

VIII. ASSETS PLEDGED AS COLLATERAL

The following table list asset of the Group pledged as collateral:

Item	Carrying amount as at 31 Dec.2023	Carrying amount as at 31 Dec.2022	Purpose of pledge
Financial assets measured at amortized costs	$36,379	$36,379	Guarantee Deposits, Long-term borrowings
Property, plant and equipment-machinery and equipment	82,842	87,981	Long-term borrowings
Total	$119,221	$124,360	

IX. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

1. The Group signed a contract with a salt company and a shipping company in Australia on 3 February 2023 to purchase and import industrial sun-dried salt and agreed on the related transportation terms. The contract period was 2 year (From 1 March 2023 to 28 February 2025). According to this contract, the Group can acquire a fixed amount of sun-dried salt for industrial and food processing purposes in accordance with the agreed price each year. The annual purchase amount (including transportation costs) is about NT$300 million. After the contract expires, the Group will reopen the bid.

2. The Group signed a natural gas sales contract for industrial fuel use with CPC Corporation, Taiwan (hereinafter referred to as CPC) on 18 March 2022. The contract period is 3 years (From 18 March 2022 to 30 September 2025). According to this contract, the Group agrees to purchase 800 thousand cubic meters of gas from CPC in accordance with the CPC natural gas price list each month, and the Group will base its use on this amount evenly.

3. The Group signed a property purchase contract with Far Eastern New Century Co., Ltd. (hereinafter referred to as FENC) on 25 July 2023. The Group purchased PET bottles from FENC for approximately NT$210 million. According to this contract, after the Group signs the contract, the contracted goods will be delivered to the designated place in batches according to the notice of Tung-Hsiao Fine Salt Factory to complete the transaction until the contract volume is reached.

4. As of 31 December 2023, the Group was involved in the following activities that were not shown in the financial statements:

   (1) The guaranteed notes issued by suppliers for the outsourcing services and construction, which were received by subsidiary - Taiyen Green Energy, amounted to NT$128,921 thousand.

   (2) The performance bond issued by the subsidiary - Taiyen Green Energy for performance of contract services and construction amounted to NT$5,683 thousand.

5. As of 31 December 2023, the Group still has major contracts as follows:

Project	Contract amount	Amount paid	Unpaid amount
Replacement project of cogeneration equipment	$601,700	$467,745	$133,955
New construction of toothpaste GMP plant	80,500	62,153	18,347
Total	$682,200	$529,898	$152,302

6. As of 31 December 2023, the "Chiayi Yizhu Fishing and Electricity Symbiosis Case EPC Turnkey Project" contracted by the subsidiary - Taiyen Green Energy had been inspected by the proprietor and Ministry of Economic Affairs, and the application for the change of an agricultural permit was submitted to the competent authority in accordance with the relevant regulations. Pursuant to the contract, if the project is overdue, Taiyen Green Energy shall pay liquidated damages; however, affected by factors such as the COVID-19 pandemic, force majeure events and delays occurred that were not attributable to Taiyen Green Energy the company has applied for an extension of the construction period in accordance with the contract. The force majeure events included the transportation plan of government on Lunar New Year, compliance with Level 3 epidemic alert due to COVID-19, muddy conditions during the plum rain season or other weather conditions which made construction impossible. Considering these various factors and based on negotiation between the two parties, the subsidiary - Taiyen Green Energy believed that the possibility of paying overdue default penalties was low, and hence the contingent liability was not accrued. Additionally, the additional payments of construction related to this case, the subsidiary - Taiyen Green Energy is still negotiating with the contractors. For the payments of construction with a higher likelihood of occurrence, they were recognized by the subsidiary - Taiyen Green Energy.

7. EAK Consultants & Sustainability Technology CO., LTD. and subsidiary - Taiyen Green Energy filed to the Chinese Arbitration Association, Taipei for mediation on 30 December 2022 regarding the dispute over the “Construction Design Service Contract” and the change made to the design. However, as the mediation was unsuccessful, the arbitration process was initiated. As of the date of financial statements, Taiyen Green Energy assessed that the possibility of payment for the project was low as this case was still under arbitration, so no provisions were estimated.

8. Lian Ting Construction Co., Ltd. (Lian Ting) and subsidiary - Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 12 June 2023 regarding the dispute over the “Power Plant Civil Engineering Contract” and the additional works. However, as the mediation was unsuccessful, Lian Ting applied for arbitration with Chinese Arbitration Association on 8 January 2024. As of the date of financial statements, as this case was still under arbitration, Taiyen Green Energy assessed each dispute of construction individually and recognized the construction costs which were more likely to occur as estimated accounts payables.

9. Lian Ting Construction Co., Ltd. (Lian Ting) and subsidiary - Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 11 January 2024 regarding the dispute over the "Substation Civil Engineering Contract". However, as the mediation was unsuccessful, Lian Ting Construction Co., Ltd. applied for arbitration with Chinese Arbitration Association on 19 February 2024. As of the date of financial statements, this case was still under arbitration. Taiyen Green Energy assessed each dispute of construction individually and recognized the construction costs which were more likely to occur as estimated accounts payables.

10. KY Solar Co., Ltd. and subsidiary - Taiyen Green Energy filed for mediation to the Chinese Arbitration Association, Taipei on 12 December 2023 regarding the dispute over the contract of "Mounting brackets and PV module installation". As of the date of financial statements, the mediation of this case did not begin. Taiyen Green Energy assessed each dispute of construction individually and recognized the construction costs which were more likely to occur as estimated accounts payables.

X. LOSS DUE TO MAJOR DISASTERS

None.

XI. SIGNIFICANT SUBSEQUENT EVENTS

None.

XII. OTHER

1. Categories of financial instruments

Financial assets

	As at	
	31 Dec. 2023	31 Dec. 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$390,613	$353,179
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,443,612	1,527,937
Financial assets measured at amortized cost	38,195	38,904
Notes receivable	2,679	2,006
Trade receivables	267,172	175,518
Other receivables (accounted as other current assets)	23,431	32,776
Refundable deposits	5,821	6,037
Subtotal	1,780,910	1,783,178
Total	$2,171,523	$2,136,357

Financial liabilities

	As at	
	31 Dec. 2023	31 Dec. 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$100,000	$20,000
Trade and other payables	695,899	687,812
Long-term borrowings (current portion included)	87,816	77,573
Guarantee deposits	131,453	108,534
Lease liabilities	32,354	37,864
Total	$1,047,522	$931,783

2. Financial risk management objectives and policies

The Group’s principal risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies measures and manages the aforementioned risks based on the Group’s policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise currency risk, interest rate risk, and other price risk (such as equity risks).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group’s exposure to the risk of changes in foreign exchange rates relates primarily to the Group’s operating activities (when revenue or expense is denominated in a different currency from the Group’s functional currency) and the Group’s net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly affected by USD, AUD and CNY. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens/weakens against USD by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$4,825 thousand and NT$4,265 thousand, respectively.
(2) When NTD strengthens/weakens against AUD by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$588 thousand and NT$570 thousand, respectively.
(3) When NTD strengthens/weakens against CNY by 1%, the profit for the years ended 31 December 2023 and 2022 decreases/increases by NT$2,884 thousand and NT$2,890 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group mainly invests in fixed interest rate financial assets and borrowings, therefore, the impact interest rate risk has on the Group is insignificant.

4. Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of 31 December 2023 and 2022, contract assets and trade receivables from top ten customers represented 89% and 88% of the total contract assets and trade receivables of the Group, respectively. The credit concentration risk of other contract assets and trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counterparties.

5. Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid securities and leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As at 31 Dec. 2023					
Borrowings	$117,255	$28,084	$11,919	$37,619	$194,877
Trade and other payables	695,899	-	-	-	695,899
Lease liabilities (Note)	7,925	7,133	4,382	19,445	38,885
As at 31 Dec. 2022					
Borrowings	$29,922	$19,220	$12,084	$43,538	$104,764
Trade and other payables	687,812	-	-	-	687,812
Lease liabilities (Note)	9,985	9,088	4,320	21,600	44,993

Note: Information about the maturities of lease liabilities is provided in the table below:

	Maturities				
	Less than 5 year	6 to 10 years	11 to 15 years	> 15 years	Total
As at 31 Dec. 2023	$19,440	$10,805	$8,640	$-	$38,885
As at 31 Dec. 2022	23,393	10,800	10,800	-	44,993

6. Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended 31 December 2023:

	Short-term borrowings	Leases liabilities	Long-term borrowings	Total liabilities from financing activities
As at 1 Jan. 2023	$20,000	$37,864	$77,573	$135,437
Cash flows	80,000	(10,809)	10,243	79,434
Non-cash changes	-	5,299	-	5,299
As at 31 Dec. 2023	$100,000	$32,354	$87,816	$220,170

Reconciliation of liabilities for the year ended 31 December 2022:

	Short-term borrowings	Leases liabilities	Long-term borrowings	Total liabilities from financing activities
As at 1 Jan. 2022	$287,530	$47,083	$57,369	$391,982
Cash flows	(267,530)	(11,379)	20,204	(258,705)
Non-cash changes	-	2,160	-	2,160
As at 31 Dec. 2022	$20,000	$37,864	$77,573	$135,437

7. Fair values of financial instruments

(1) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, trade receivable, trade payable and other current liabilities approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

E. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

(2) Fair value of financial instruments measured at amortized cost
The Group's book value of financial assets and liabilities measured by amortized cost reasonably approximated their fair value.

(3) Fair value measurement hierarchy for financial instruments
Please refer to Note XII(8) for fair value measurement hierarchy for financial instruments of the Group.

8. Fair value measurement hierarchy

(1) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(2) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$390,613	$-	$-	$390,613

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$353,179	$-	$-	$353,179

Transfers between Level 1 and Level 2 during the period

During the years ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

(3) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As at 31 December 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$1,234,062	$1,234,062
Financial assets measured at amortized cost				
Time deposits	-	36,379	-	36,379

As at 31 December 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties	$-	$-	$1,259,749	$1,259,749
Financial assets measured at amortized cost				
Time deposits	-	36,379	-	36,379

9. Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	As of 31 December 2023		
Financial assets	Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	$15,712	30.71	$482,516
AUD	2,801	20.98	58,765
CNY	66,649	4.327	288,390

Financial assets	As of 31 December 2022 Foreign currencies	Foreign exchange rate	NTD
Monetary items:			
USD	$13,889	30.71	$426,531
AUD	2,736	20.83	56,991
CNY	65,572	4.408	289,041

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

The Group has various functional currencies, no information about the foreign exchange gains or losses by a specific currency is available. For the years ended 31 December 2023 and 2022, the foreign exchange gains or losses on monetary financial assets and financial liabilities amounted to NT$(5,667) thousand and NT$58,690 thousand, respectively.

10. Financial asset transfer information

Derecognize transferred financial asset entirely

Part of the Group's trade receivables has signed non-recourse transfer contracts with financial institutions. In addition to the transfer of the rights of these trade receivables to the cash flow contracts, the Group is also not required to bear the credit risk of the inability to recover these trade receivables according to the contract (except for commercial disputes), which met the conditions for derecognizing financial assets. Transaction-related information is as follows:

As at 31 December 2023

Purchaser	Factoring amount	Advanced amount	Transfer to other receivables	Credit
Bank SinoPac	$-	$-	$-	$10,000

As at 31 December 2022

Purchaser	Factoring amount	Advanced amount	Transfer to other receivables	Credit
Bank SinoPac	$144	$-	$144	$10,000

11. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

XIII. OTHER DISCLOSURE

1. The following are additional disclosures for the Group and its affiliates as required by the R.O.C. Securities and Futures Bureau:

   (1) Financing provided to others for the year ended 31 December 2023: None.
   (2) Endorsement/Guarantee provided to others for the year ended 31 December 2023: None.
   (3) Securities held as of 31 December 2023 (excluding subsidiaries, associates and joint venture): Please refer to Attachment 1.
   (4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.
   (5) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.
   (6) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended 31 December 2023: None.
   (7) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock f for the year ended 31 December 2023: None.
   (8) Trade receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock as of 31 December 2023: None.
   (9) Financial instruments and derivative transactions: None.
   (10) The business relationship, significant transactions and amounts between parent company and subsidiaries: Please refer to Attachment 2.

2. Information on investees:

   (1) The investee Group has significant influence or controller directly or indirectly: Please refer to Attachment 3.
   (2) If the Group has direct or indirect control over the investee, it must disclose the information of the invested engaged in the first to ninth transactions of the preceding paragraph: None.

3. Information on investment in mainland China:

   (1) Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying amount of investments, cumulated inward remittance of earnings and limits on investment in mainland China: Please refer to Attachment 4.
   (2) Directly or indirectly significant transactions through third regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition: None.

4. Information on major shareholders: Please refer to Attachment 5.

XIV. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has four reportable segments as follows:

1. Salt products and packaged water department
2. Biotech health, cosmetics and cleaning products department
3. Construction and services department
4. Other department

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on significant accounting policies information consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

1. Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

   For the year ended 31 December 2023

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Others	Adjustments and eliminations	Total
Revenue from External customer	$2,636,482	$474,589	$237,236	$60,504	$-	$3,408,811
Inter-segment (Note)	-	-	82,013	20,223	(102,236)	-
Total revenue	$2,636,482	$474,589	$319,249	$80,727	$(102,236)	$3,408,811
Segment profit	$422,168	$100,231	$(246,971)	$(108,213)	$161,901	$329,116

For the year ended 31 December 2022

	Salt products and packaged water	Biotech health, cosmetics and cleaning products	Construction and services	Others	Adjustments and eliminations	Total
Revenue from External customer	$2,481,820	$515,910	$570,247	$45,630	$-	$3,613,607
Inter-segment (Note)	-	-	115	20,521	(20,636)	-
Total revenue	$2,481,820	$515,910	$570,362	$66,151	$(20,636)	$3,613,607
Segment profit	$347,559	$91,754	$3,949	$90,970	$(3,645)	$530,587

Note: Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column.

2. Geographic information:

(1) Revenue from external customers:

	For the years ended 31 December	
	2023	2022
Taiwan	$3,408,332	$3,613,437
China	479	170
Total	$3,408,811	$3,613,607

Revenue is classified based on the country where the customer is located.

(2) Non-current assets:

	As at	
	31 Dec. 2023	31 Dec. 2022
Taiwan	$5,171,782	$5,005,534
China	32	54
Total	$5,171,814	$5,005,588

The non-current assets of the Group exclude financial assets, deferred tax asset and refundable deposits.

3. Product information:

Products	For the years ended 31 December	
	2023	2022
Various salt products	$1,575,400	$1,460,662
Drinking water	1,061,082	1,021,158
Supplements, food additives and pharmaceuticals	177,104	224,544
Cleaning supplies	161,245	176,397
Rendering of services	144,776	264,704
Cosmetics	136,240	114,969
Construction revenue	79,934	293,251
Others	73,030	57,922
Total	$3,408,811	$3,613,607

4. Important client information:

	For the years ended 31 December	
	2023	2022
Client A	$953,475	$897,080
Client B	155,409	144,703

Attachment 1

Securities held as at 31 December 2023

Holding Company	Type and name of securities(note)	Relations with securities issuer	Account	As of 31 December, 2023				Note
				Number of shares or units	Amount	Holding ratio	Fair Value	
The Company	Money Market Fund－JIH SUN Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,094,435.14	$31,950	-	$31,950	
	Money Market Fund－FSITC Taiwan Money Market Fund	-	〃	2,039,641.60	32,101	-	32,101	
	Money Market Fund－Eastspring Investments Well Pool Money Market Fund	-	〃	2,250,170.60	31,419	-	31,419	
	Money Market Fund－Yuanta Wan Tai Money Market Fund	-	〃	684,186.40	10,641	-	10,641	
	Money Market Fund－Yuanta De-Li Market Fund	-	〃	615,695.30	10,322	-	10,322	
	Money Market Fund－Nomura Taiwan Money Market Fund	-	〃	3,181,374.36	53,270	-	53,270	
	Money Market Fund－Shin Kong Chi-Shin Money Market Fund	-	〃	1,969,750.74	31,324	-	31,324	
	Money Market Fund－Franklin Templeton Sinoam Money Market Fund	-	〃	2,959,309.49	31,446	-	31,446	
	Money Market Fund－Cathay Taiwan Money Market Fund	-	〃	2,432,059.50	31,040	-	31,040	
	Money Market Fund－Fubon Chi-Hsiang Money Market Fund	-	〃	1,278,422.10	20,587	-	20,587	
	Money Market Fund－Union Money Market Fund	-	〃	764,198.81	10,374	-	10,374	
	Money Market Fund－SinoPac TWD Money Market Fund	-	〃	724,653.40	10,363	-	10,363	
	Money Market Fund－Prudential Financial Money Market Fund	-	〃	1,275,006.10	20,730	-	20,730	
	Bond Fund－ PineBridge Global Multi-Strategy High Yield Bond Fund A	-	〃	2,079,726.62	29,551	-	29,551	
	Bond Fund －Nomura Fallen Angel Non-Investment Grade Bond Fund-Accumulate	-	〃	1,042,905.12	10,389	-	10,389	
	Bond Fund － PGIM USD High Yield Bond Fund-TWD (A)	-	〃	1,018,547.75	10,156	-	10,156	
	Bond Fund－ Allianz Global Investors All Seasons Harvest Fund of Bond Funds-A-USD	-	〃	43,584.40	14,950		14,950	
					$390,613		$390,613	

Note: The securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities derived from the above items mentioned in IFRS No. 9 "Financial Instruments".

Attachment 2

The business relationship, significant transactions and amounts between parent company and subsidiaries

No. (Note 1)	Related-party	Counter-party	Relationship with the Company (Note 2)	Transactions					
				Account	Amount	Terms	Percentage of consolidated operating revenues or consolidated total assets (Note 3)	Note
0	The Company	Taiyen (Xiamen)	1	Purchase	$19,559	Paid by contract price after acceptance	0.57%	(Note 4)
1	Taiyen Green Energy	The Company	2	Construction revenue	$82,012	Paid by contract terms	2.41%	〃
1	Taiyen Green Energy	The Company	2	Contract assets	$17,128	Paid by contract terms	0.21%	〃

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.
For profit or loss items, interim cumulative balances are used as basis.

Note 4: Has been written off when preparing consolidated financial report.

Attachment 3

The investee Company has significant influence or controller directly or indirectly

Name of investment company	Investee company name	Location	Main Business	Original investment amount		Held at the end of the period			Net income (loss) of investee company	Investment income (loss) (Note 1)	Note
				31-Dec-23	31-Dec-22	Number of shares	Ratio	Amount			
The Company	Taiyen Green Energy	No. 360, Gaofa 2nd Rd., Guiren Dist., Tainan City	Energy-related business	$235,616	$235,616	24,741,970	66.75%	$115,634	$(247,213)	$(165,015)	(Note 2)
The Company	Taiyen Samoa	Novasage Chambers,PO Box 3018,Level 2 CCCS Building,Beach Road,Apia,Samoa	Reinvestment Business	49,541	49,541	1,600,000	100%	20,943	2,222	2,222	(Note 2)
Taiyen Samoa	Taiyen Hong Kong	Room 2701,27/F, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong	Reinvestment Business	49,541 (USD1,600 thousand)	49,541 (USD1,600 thousand)	1,600,000	100%	20,943	2,222	2,222	(Note 2)

Note 1: Excluded from upstream transaction elimination of unrealized profits and losses between the company.

Note 2: Has been eliminated when preparing consolidated financial report.

Attachment 4

Information on investment in mainland China

Name of investee company in mainland China	Main business	Total amount of Capital	Method of investment (Note 1)	Outflow of investments from Taiwan at beginning of the period	Accumulated inflow and outflow of investments from Taiwan		Accumulated outflow of investments from Taiwan at the end of the period	Net income (loss) of investee company	Percentage of direct(indirect) ownership by the Company	Investment income (loss) (Note 2)	Carrying amount of investments at the end of the period (Note 2)	Cumulated inward remittance of earnings and limits on investment in Mainland China	Note
					Outflow	Inflow							
Taiyen (Xiamen)	Operating various commodity sales and import and export business	USD1,600 thousand	2	USD1,600 thousand	-	-	USD1,600 thousand	$2,222	100%	$2,222	$20,943	-	(Note 5)

Accumulated outflow of investments in mainland China from Taiwan at the end of the period	The amount of investment approved by the Investment Commission, MOEA	According to the regulations of the Investment Commission, MOEA, about investments to mainland China
$49,136 (USD1,600 thousand) (Note 3)	$49,136 (USD1,600 thousand) (Note 3)	Equity $6,491,239*60%=$3,894,743 (Note 4)

Note 1: Methods of investment are divided into the following three types; the table can be only noted with number:

1.Direct investment in mainland China.

2.Through the third region entity: Taiyen Samoa indirectly invested in Taiyen Xiamen via investment in Taiyen Hong Kong.

3.Other methods.

Note 2: The financial statements of the investee company has been audited by the independent auditors of EY.

Note 3: The amount of NTD in the table was calculated with the exchange rate of 30.71 at the end of December 2023.

Note 4: According to 97.8.22 "Licensing Measures for Engagement in the Mainland Area or Technology Cooperation", "Investment or Technology Cooperation Review Principles in the Mainland Area" Amendments, investors' upper limit ratio of the investment cumulative amount in Mainland Area is : 60% of the net value or net value of the merger, whichever is higher.

Note 5: Had been eliminated in the preparation of consolidated financial statements.

Attachment 5

Information on major shareholders

Name of major shareholder \ Shares	Number of shares	Ratio
Ministry of Economic Affairs, R.O.C.	77,768,272	38.88%
Tung Wei Construction. Co., LTD.	10,000,000	5.00%

Note 1: The shareholders information is mainly derived from the last business day of each quarter-end when shareholders hold more than 5% of the common shares and preferred shares that The shareholders information is mainly derived from the last business day of each quarter-end when shareholders hold more than 5% of the common shares and preferred shares that have been completed (including treasury shares) non-physical registration. As for there may be differences between recorded shares in the Company's financial report and actual shares completed and delivered shares to non-physical registration, this is due to different calculation basis.

Note 2: If the above-mentioned information is in the case of shareholders handing over shares to the trust, the individual account of the trustor who set up the trust account with the trustee should be disclosed. As for shareholders who declare insiders shareholding statement in accordance with the Securities and Exchange Act for holding more than 10% of the shares, it includes shares held personally and shares that are put into the trust and hold the right to exercise decision-making power over the trust property, etc. Please refer to the Market Observation Post System (MOPS) for more information on the insiders shareholding statement.

Taiyen Biotech Co., Ltd.

Acting Chairman Liu, Ya-Chuan