



Stock Code: 4137

Chlitina Holding Limited

Meeting Minutes of 2024 Regular Shareholders Meeting (Translation)

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Method of convening: Regular meeting of shareholders

Time: 9:00 A.M. on (Tuesday) June 25, 2024

Place: Meeting Room 203, 2F., No.123, Songren Road, Xinyi District, Taipei City

Attending:

Shareholders and proxy representing 58,434,958 shares with voting rights (among them, 22,364,922 exercised their votes via electronic means), which accounts for 73.51% of the total 79,492,350 ordinary shares with voting rights issued by the company.

Directors:

Chairman Chen, Pi-Hua; Custodian of Wealthy Garden Investment Limited Special Investment Account with Cathay United Bank: Director Chen, Pei-Wen; Director Chao, Cheng-Yu; Independent Director Tsai, Yu-Chin (Audit Committee Convenor); Independent Director Hsu, Wen-Kuan. With 5 directors in attendance, the quorum of over one-half of the 8 directors was reached.

Other Attendees:

Pricewaterhouse Coopers Independent Auditor Wang, Sung-Tse

Lee, Tsai & Partners Attorney-at-Law Tsai, Yu-Lin

Senior CFO Yeh, Chien-Chih,

Finance & Accounting Department and Investor Relations Director Hu, An-Rong

Chair: Chairman Chen, Pi-Hua

Secretary: Lee, Yi-Ning

Meeting announcement: The number of shareholders in attendance having reached the statutory amount, the Chairman convened the meeting in accordance with the law.

Chair's opening remarks: omitted.

I. Items to be reported

Proposal 1: Proposed business report for 2023.

- Notes:** (1) Business report for 2023. Please refer to Annex I.
(2) Reported sincerely.

Proposal 2: Audit Committee's Review Report on 2023 Financial Statements.

- Notes:** (1) Audit report from the Audit Committee for 2023, please refer to Annex II.
(2) Reported sincerely.

Proposal 3: Report on directors and employees 2023 bonus distribution.

- Notes:** (1) Pursuant to Articles 86, 90-1 and 90-2 of the Articles of Incorporation, and compensation committee's resolution on March 1, 2024, the Board proposes to distribute NTD 10,897,893 as directors' bonuses and NTD 21,795,785 as employees' profit-sharing in cash.
(2) Amounts match previously recognized expenses in 2023.
(3) After the case is reported at the 2024 regular shareholders meeting, the Chairman will be authorized to set the release date and related matters.
(4) Reported sincerely.

Proposal 4: Report on transactions with related parties in 2023.

- Notes:** (1) Follows the requirements in Article 6 Paragraph 3 of the Company's "Rules for Managing Related Party Transactions."
(2) The report is enclosed herein. Please refer to Annex III.
(3) Reported sincerely.

Proposal 5: Report on revisions to "Rules of Procedure for Board of Directors Meetings."

- Notes:** (1) Revision to part of the Rules of Procedure for Board of Directors Meetings is intended to reflect the modifications made to relevant laws and regulations and the Company's needs.
(2) Please refer to Annex IV for a comparison table.
(3) Reported sincerely.

Proposal 6: Report on the issuance of second domestic unsecured corporate

bonds.

- Notes:**
- (1) On March 1, 2024, the Board of Directors resolved to conduct a cash capital increase by issuing new shares, with the maximum number of shares issued being 3,000,000 shares, and simultaneously issue 11,000 units of the Second Unsecured Convertible Corporate Bonds in the Republic of China. The funds raised will be used entirely for repaying bank loans.
 - (2) Having obtained the approval letters from the Central Bank and the Taipei Exchange, the application was filed with the Securities and Futures Bureau on March 18, 2024. The application became effective on April 3, 2024, and the Company received the official letters No. 1130337042 and No. 11303370421 from the Financial Supervisory Commission.
 - (3) Reported sincerely.

II. Items to be approved

Proposal 1: Report on business performance and consolidated financial statements for 2023. (Proposed by the Board of Directors)

- Notes:**
- (1) The Company's 2023 business report and consolidated financial statements, including the balance sheet, statement of comprehensive income, statements of changes in equity, and statements of cash flow have been audited by independent auditors Wang Song-Tse and Lin Chun-Yao of PwC Taiwan who issued an unqualified audit report with no reservations.
 - (2) For the 2023 business report, consolidated financial statements and audit report, please refer to Annex I and V.
 - (3) Please approve.

Resolution: After voting, the report was approved without amendment.

The voting results are as follows:

Number of voting rights present at the time of voting: 58,434,958 rights (including 22,364,922 electronic voting rights).

Voting Results	Percentage of Present Voting Rights
in favor: 57,767,394 rights (including 21,697,358 electronic votes)	98.85%
Against: 11,388 rights (including 11,388 electronic votes)	0.01%
Invalid votes: 0	0.00%
Abstained/Shares with no voting rights: 656,176 (including electronic votes 656,176)	1.12%

Proposal 2: 2023 Earnings distribution proposal (proposed by the Board of Directors)

- Notes:** (1) The Company's net profit after tax for the year 2023 was NT\$1,033,553,578. In addition, there was an impact from the retrospective application and restatement of NT\$2,170,481, and confirmation of remeasurement of defined benefit plans of NT\$96,771. As the Company's legal surplus reserve has reached the level of paid-in capital required by law and regulations, no further allocation is required. After setting aside a special surplus reserve of NT\$94,603,131 as required, and adding unappropriated retained earnings of NT\$1,229,300,644, the total distributable profits amounted to NT\$2,170,518,343.
- (2) During the current fiscal year, the company plans to allocate a total of NT\$834,669,675 from its distributable profits for shareholder dividends in accordance with Article 91 of its Articles of Association. The entire amount will be paid in cash, with a per-share dividend of NT\$10.5 based on the total number of issued shares of 79,492,350. Any fractional amounts of less than NT\$1 resulting from the calculation of the dividend per share will be transferred by the company to its capital reserves. The specific ex-dividend date and related matters will be determined by the Chairman of the Board after obtaining approval at the shareholders meeting.
- (3) In the event that the company's outstanding shares are affected by share buybacks, transfers of treasury shares, conversions of convertible bonds, exercise of employee stock options or share

transfers, conversions, cancellations, or issuance of new shares for capital increases or other reasons, resulting in changes to the distribution of dividends per share, the company proposes to authorize the Chairman of the Board to handle the matter at his/her discretion.

(4) For 2023 earnings distribution, please refer to Annex VI.

(5) Please approve.

Resolution:

After voting, the report was approved without amendment. The voting results are as follows:

Number of voting rights present at the time of voting: 58,434,958 rights (including 22,364,922 electronic voting rights).

Voting Results	Percentage of Present Voting Rights
In favor: 57,767,394 rights (including 21,697,358 electronic votes)	98.85%
Against: 11,388 rights (including 11,388 electronic votes)	0.01%
Invalid votes: 0	0.00%
Abstained/Shares with no voting rights: 656,176 (including electronic votes 656,176)	1.12%

III. Elections:

Proposal 1: Election of new Directors to the Board. (Proposed by the Board of Directors)

- Notes:**
- (1) Based on Article 58 of the Company's Articles of Incorporation, the current term of the Board of Directors will end on July 5, 2024. Accordingly, the company proposes to elect new Board members at this year's Annual Meeting of Shareholders.
 - (2) According to the Company's Articles of Incorporation, a total of 8 board members (including 4 independent directors) shall be elected under the election regulations set by competent authorities during the shareholders meeting from a list of candidates. New Directors will come on board after the annual shareholders' meeting. The term for the new board will begin June 25, 2024 and last for three years until

June 24, 2027.

- (3) In accordance with Article 59 of the company's articles of association and relevant regulations, the company should adopt a candidate nomination system. Please refer to Annex VII for list of Fifth term Director candidates (including Independent Directors).
- (4) Please duly proceed with the election.

Election Results:

After the vote, the Chairman immediately announced the results. Elected Directors and Independent Directors are:

Title	Shareholder Number or ID Number	Name	Votes
Director	19837	Chen, Pi-Hua	61,654,305 rights
Director	7204	Custodian of Wealthy Garden Investment Limited Special Investment Account with Cathay United Bank: Chen, Pei-Wen	52,485,836 rights
Director	73	Chao, Chen-Yu	52,119,883 rights
Director	WU19*****	Wu, Sizong	52,046,771 rights
Independent Director	R222*****	Tsai, Yu-Chin	53,161,118 rights
Independent Director	B220*****	Hsu, Wen-Kuan	52,847,495 rights
Independent Director	A125*****	Li, Jin-Wei	51,542,170 rights
Independent Director	A170*****	Huang, Lei-Kang	51,509,322 rights

IV. Other Matters :

Proposal 1: Release of the newly elected Directors from non-competition obligation. (Proposed by the Board of Directors)

- Notes:**
- (1) According to Article 209 of the Company's Articles of Incorporation, a Director who enters for himself or on behalf of another person into a trade that is within the scope of the Company's business shall explain at the shareholders meeting the essential contents of such activities and secure their approval.
 - (2) The non-competition clause may be removed through the shareholders meeting for new directors whose other investments or businesses are overlapping with or are similar to the Company's business but do not affect the Company's operation or interests.
 - (3) For the lifting of non-competition restrictions of new directors (including independent directors) and their representatives, please refer to Annex VIII.
 - (4) Please adopt resolution.

Resolution:

After voting, the report was approved without amendment. The voting results are as follows:

Number of voting rights present at the time of voting: 58,434,958 rights (including 22,364,922 electronic voting rights).

Voting Results	Percentage of Present Voting Rights
In favor: 57,601,994 rights (including 21,531,958 electronic votes)	98.57%
Against: 42,038 rights (including 42,038 electronic votes)	0.07%
Invalid votes: 0	0.00%
Abstained/Shares with no voting rights: 790,926 (including electronic votes 790,926)	1.35%

V. Extemporaneous motions: None.

After the Chairman consulted all shareholders present, no extemporaneous motion was put forward. (There were no questions from shareholders on any of the proposals at this shareholders meeting)

VI. Adjournment of the meeting:

The meeting was adjourned at 9:35 a.m. on the same day after all shareholders

present agreed.



Chairman: Chen, Pi-Hua



Secretary: Lee, Yi-ning

Note: The minutes of this regular shareholders meeting only state the essential elements and results of the proceedings. For any unrecorded parts, please follow the provisions of Article 183 of the Company Law and consult the audio and video records of the meeting.

Chlitina Holding Limited 2023 Business Report

Chlitina Holding Limited (hereinafter referred to as “the Company”) hereby reports its 2022 operating results and the summary of its business plan for 2023:

I. 2023 operating results:

1. Business plan and implementation:

Consolidated revenue of the Company in 2023 was NT\$4,534,771K, up 11.44% as compared to NT\$4,069,210K in 2022. Net income after taxes was NT\$1,033,554K in 2023, as compared to NT\$689,858K in 2022, or a 49.82% increase.

In terms of geographical breakdown, 96.56% of sales, or NT\$4,378,602K, were made in Mainland China, as the region remained the largest market for the Company and focus for business expansion.

2. Analysis of financial revenues and expenditures and profitability:

For the financial balance and structure, the assets to liabilities ratio in 2023 was 42.18%, the current ratio was 187.04%, and the net profit margin was 22.79%, with a net cash inflow of NT\$1,230,096K. This demonstrates that the Company retains ample cash flow, a stable profitability, and an excellent financial structure.

3. Performance in research and development

The Company endeavors to apply the concept of a “medicine-based, beauty-oriented” skincare by providing professional solutions to women’s skin issues. Introducing advanced technology to the industry and focusing on various consumer groups in different market segments, the company continues to launch new products and broaden the distribution of its lines of products. In 2023, the Youthkeeper Mask, a product that magnifies the rejuvenating effects of the best-selling Youthkeeper Serum on sagging skin, was launched in franchise stores. Other new products such as the Intense Hydration Moisturizing Toner, the Extra Firming Moisturizing Lotion, or the Anti-Wrinkle Firming Eye Cream, also addressing skin aging issues, were launched on the e-commerce platform that complements the franchise channel. The new products are efficient against skin aging due to exposure to sun rays, skin dullness, fine lines, and skin dehydration.

Different products are launched through different channels in order to satisfy the needs of each individual consumer to the greatest extent possible, in terms of personalized skincare and healthy lifestyles.

4. Status of budget implementation

As there was no disclosure of any financial forecast in 2023, there is no information on budget achievement.

II. Summary of the business plan for 2024:

1. Operating guidelines:

1.1. We will upgrade our overall business strategy, focusing on the beauty + new consumption tactics, branching out from the beauty industry into the health industry, and striving to help consumers improve their quality of life.

The Company also intends to expand its product portfolio around the concepts of “water, microbiome, and regenerative medicine.”

In terms of business model, the Company is evolving from a product-centered business model to one of cultivation of customer value, providing high-quality services and products that meet the full cycle of customers’ needs.

1.2. Regarding the franchise channel, based on the marketing principle of “intensive cultivation,” we will work on improving management at existing franchises to help them increase profitability and overall quality, in the constant pursuit of long-term, robust growth.

In Mainland China, we will actively tap consumption potential and consumers' needs in markets where we have low coverage. In each area, we will continue to strengthen the management at every level, and maintain an efficient network expansion, while also taking into account the quality of that expansion.

In Hong Kong, Taiwan, and Southeast Asia, we will deepen brand awareness and speed up the addition of new stores to the network. We will reach out to local beauty markets by improving and enforcing franchise management strategies that are adapted to local developments. Furthermore, we will research and develop beauty and health products that are suitable for local consumers.

1.3. As far as e-commerce is concerned, we optimized our product portfolio, upgraded the consumption model, introduced the "Home Spa" concept, and improved the franchise channel structure and product coverage through a full-time, countrywide, marketing strategy.

1.4. In the field of aesthetic medicine, we are promoting the development of self-owned aesthetic medicine clinics. Combining aesthetics, medicine and science, we are providing consumers with comprehensive beauty, health, and anti-ageing services. We also set foot in the high-end cosmetic medicine industry, taking advantage of artificial intelligence and regenerative medicine to bring additional momentum to the Company's revenue.

2. Future development strategy:

In order to expand the Group's operational map, the Company will continue to implement the strategies of "product diversification," "multi-channel selling," and "diversified marketing" in accordance with the macro environment, industry characteristics, and market preferences.

III. The impact of external competition, legal environment, and overall business operation environment

1. The impact of external competition and overall business operation environment:

In 2023, in the face of a turbulent international environment and of the arduous task of reforming the economy while preserving stability, China's economy has continued to grow, the GDP has reached new heights and high-quality development has been going forward steadily. According to the "2023 National Economic and Social Development Statistics Bulletin" published by the National Bureau of Statistics of China, in 2023, China's total economic output amounted to RMB126.06 trillion, or a year-on-year increase of 5.2%. Tertiary industries accounted for 54.6% of China's total GDP. Under the stimulation of multiple factors such as industrialization, the development of the information technology and elevated consumer spending, growth in the tertiary, especially in the service industry, remained strong. The role of consumption is still relatively significant in driving growth, contributing by 4.3 percentage points for the whole year. The level of urbanization keeps on increasing and the income gap between urban and rural residents continues to narrow. Local residents' income grew faster than economic growth. The annual per capita disposable income was 39,218 Chinese yuan, an increase of 6.3% over the previous year. Excluding price factors, the real growth rate was 6.1%. The development of the service industry, continuing urbanization and the increase of per capita disposable income of urban residents all show the huge potential of the consumer goods market in China. The annual total retail sales of consumer goods reached 47.15 trillion Chinese yuan, an increase of 7.2% from the previous year. Among the retail sales of goods above the designated size limit, cosmetics went up 5.1%.

In 2023, China has adhered to the general principle of seeking progress while maintaining stability, fully implementing new development concepts, accelerating the expansion of national strategic scientific and technological strengths, improving the resilience of the industrial chain, comprehensively deepening reform and opening up, adhering to innovation-driven development, and promoting high-quality development. Supported by a series of innovation and entrepreneurship activities and achievements, new industries, new formats and new models have developed faster, becoming a new driving force for economic growth and structural adjustment. In 2023, annual online transaction volume increased 9.4% year on year to a total of 46.83 trillion Chinese yuan, and

online retail sales of physical goods amounted to 13.02 trillion Chinese yuan, an 8.4% increase year on year, and accounting for 27.6% of the total retail sales of consumer goods.

In a rapidly changing external environment, the markets for beauty and skincare franchise and consumer goods are becoming more and more competitive. In a fragmented competitive market, high-quality brands have a strong market appeal and more opportunities for market integration. At the same time, franchisees' business operations are directly affected by the macroeconomic environment and consumers' disposable income. Under the current urbanization and mass entrepreneurship drives, the development of e-commerce will help break down geographical limits and expand consumer groups, which will bring more business opportunities to the Company. The transformation and upgrading of traditional industries and the online-and-offline integrated marketing methods have further highlighted the Company's competitive advantage in combining unique products and services.

2. Impact from the Legal Environment:

To operate skin care products manufacturing and franchise business in China, companies need to obtain numerous licenses and approvals and comply with the following regulations: "Hygienic Standard for Cosmetics," "Regulations Concerning the Hygiene Supervision over Cosmetics," "Detailed Rules for the Implementation of the Regulation on the Hygiene Supervision over Cosmetics," "Industrial Production Authorization Regulations," "Domestic Non-special Purpose Cosmetics Record Management Method," and "Cosmetics Labels Instructions Management Regulations," as well as "Regulation on the Administration of Commercial Franchises." Obtaining relevant licenses in accordance with the laws and regulations has a significant impact on the Company's business operations. As of the date of publication of this annual report, the Company does not need to renew any of the licenses or permits required for business operations.

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih



Chlitina Holding Limited Audit Report from the Audit Committee

The Board of Directors has submitted the Company's 2023 business report, financial statements, and earnings appropriation proposal. Independent auditors, Wang, Sung-Tse and Lin, Chun-Yao of PwC Taiwan, were retained by the Board to audit the financial statements and has issued an audit report accordingly. The business report and financial statements, and earnings appropriation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of the Company. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Attn.

2024 General Shareholders' Meeting of Chlitina Holding Limited

Chlitina Holding Limited

Audit Committee

Convened by: Tsai, Yu-Ching



蔡玉清

March 1, 2024

Summary of Related Parties Transactions

[Annex III]

Proposed summary of related parties transactions in 2023 as shown in the appendix:

(I) Name and relationship of the related parties:

Name of related party	Major business	Region	Relationship with the consolidated
Kelti International Trading Corp. (hereinafter referred to as Kelti International)	Distribution and direct sale of skincare products	Republic of China	Affiliates companies
Kelti (China) Daily Product Co., Ltd. (hereinafter referred to as Kelti China)	Manufacture and sale of skincare and cosmetic products	China	Affiliates companies
Healthmate Biotech Co., Ltd. (hereinafter referred to as Healthmate Biotech)	Manufacture of food products	Republic of China	Affiliates companies
Charming Biotech Corp., Ltd. (hereinafter referred to as Charming Biotech)	Manufacture of health products	Republic of China	Affiliates companies
Sagittarius Life Science Corp., Ltd. (hereinafter referred to as Sagittarius Life)	Manufacture of health products	Republic of China	Affiliates companies
Modern Pearl Holdings Limited (hereinafter referred to as New Pearl)	Real estate investment and skincare product	Hong Kong	Affiliates companies
Jing Yung Gi Co., Ltd. (hereinafter referred to as Jing Yung Gi)	Investment and leasing business	Republic of China	Affiliates companies
Mc. Reene Co., Ltd. (hereinafter referred to as Mc. Reene)	Importing Agency	Thailand	Affiliates companies
Kelti International (HK) Limited Taiwan Branch (hereinafter referred to as Kelti International (HK))	Sale of other health and cosmetic products	Republic of China	Affiliates companies
Chen, Wu-Kang	Natural person	Natural person	The Chairman is a first-degree relative
Zhaocang (Shanghai) Trading Co., Ltd. (hereinafter referred to as Zhaocang Trading)	Distribution and direct sale of skincare products	China	Affiliates companies
Long Chuang (Guangzhou) Daily Product Co., Ltd. (hereinafter referred to as Long Chuang Daily)	Manufacture and sale of soap and detergent products	Republic of China	Affiliates companies
Max Exchange Corp. (hereinafter referred to as Max Exchange)	Medical equipment wholesale and retail	Republic of China	Affiliates companies
Biodynasty Co., Ltd. (hereinafter referred to as Biodynasty)	Sale of other chemical products and food	Republic of China	Affiliates companies
Jin Yan (Shanghai) Biotechnology Co., Ltd. (hereinafter referred to as Jinyan)	Manufacture of health products	China	Affiliates companies
Shanghai Guangqiao Biosciences Co., Ltd. (hereinafter referred to as Guangqiao Biosciences)	Technology development in the field of biotechnologies	China	Affiliates companies
General Biologicals Corp. (hereinafter referred to as General Biologicals)	Development and sale of biological reagents	Republic of China	Affiliates companies
Dongguan Gb Biotech Corporation (hereinafter referred to as Dongguan Gb)	Sale of medical monitoring reagents and health care products	China	Affiliates companies
GB GENES CORP. (hereinafter referred to as GB GENES)	Research, develop, design, manufacture and sale of P-113 peptide	Republic of China	Affiliates companies
Shanghai Zhongye Trade Co., Ltd. (hereinafter referred to as Shanghai Zhongye)	Food and daily necessities distribution	China	Affiliates companies
U-NEURON BIOMEDICAL INC. (hereinafter referred to as U-NEURON BIOMEDICAL)	Biotechnology research and development, beauty and health care consumption	Republic of China	Affiliates companies

Note: Mc. Reese Co., Ltd. was disposed of by Gem Fortune Group on April 2, 2022; therefore, Mc.Reese was not a related party of the Group starting from that date.

(II) Substantial Trading Events with Related Parties

1. Operating revenues

	Q4 of 2023		Q4 of 2022	
	RMB	NTD	RMB	NTD
Product sales:				
Other (below RMB 500 K)	172	755	8	40
Total	\$172	\$755	\$8	\$40

	2023		2022	
	RMB	NTD	RMB	NTD
Other (below RMB 500 K)	237	1,041	-189	-833
Total	\$237	\$1,041	(\$189)	-\$833

Selling prices from the Consolidated Company to associated companies are not significantly different from that to regular customers. The associate company payment term is 60days; sales to regular customers are prepaid.

2. Purchase of Goods

	Q4 of 2023		Q4 of 2022	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$2,699	\$11,871	\$1,324	\$5,812
Sagittarius Life Science Corp.	533	2,341	547	2,412
Kelti (China) Co., Ltd.	244	1,074	53	224
Biodynasty	668	2,939	299	1,313
Guangqiao Biotechnology	586	2,579		
GB GENES	655	2,881		
Other (below RMB 500 K)	733	3,217	35	139
Total	\$6,118	\$26,902	\$2,258	\$9,900

	2023		2022	
	RMB	NTD	RMB	NTD
Charming Biotech Corporation	\$7,936	\$34,865	\$7,634	\$33,754
Sagittarius Life Science Corp.	649	2,852	1,472	6,509
Kelti (China) Co., Ltd.	602	2,644	1,814	8,023
Biodynasty	2,781	12,218	1,710	7,560
Guangqiao Biotechnology	1,769	7,773		
GB GENES	1,627	7,147	14	64
Kelti International (HK)	729	3,203		
New Kinpo Group	1,475	6,478	525	2,323
Shanghai Zhongye Trading			1,918	8,482
Other (below RMB 500 K)	152	667	232	1,022
Total	\$17,720	\$77,847	\$15,319	\$67,737

Purchasing prices from the associated companies are through mutual negotiation and is payable within 60 days, which is not significantly different from purchase from non-related vendors.

3. Receivables With Related Party

	31-Dec-23		31-Dec-22	
	RMB	NTD	RMB	NTD
Accounts receivable - related				
Other (below RMB 500 K)	\$208	\$899	\$0	\$0
Subtotal	\$208	\$899	\$0	\$0
Other receivables - related parties:				
Other (below RMB500 K)	\$320	\$1,389	\$263	\$1,163
Subtotal	\$320	\$1,389	\$263	\$1,163
Total	\$528	\$2,288	\$263	\$1,163

Receivables from related parties are not secured and are interest free.

4. Payable with related parties

	31-Dec-23		31-Dec-22	
	RMB	NTD	RMB	NTD
Accounts payable - related parties:				
Charming Biotech Corporation	\$2,308	\$9,986	\$1,137	\$5,013
Zhaocang (Shanghai) Trading Co.,	2,157	9,332	1,998	8,808
Kelti (China) Co., Ltd.	520	2,250	520	2,292
Zhaocang (Shanghai) Trading	647	2,799	398	1,754
Other (below RMB 500 K)	306	1,326	36	157
Subtotal	\$5,938	\$25,693	\$4,089	\$18,024
Other accounts payable - related				
Kelti (China) Co., Ltd.	\$1,050	\$4,543	\$725	\$3,196
Other (below RMB 500 K)	31	134	34	150
Subtotal	\$1,081	\$4,677	\$759	\$3,346
Total	\$7,019	\$30,370	\$4,848	\$21,370

Receivables from related parties are not secured and are interest free.

5. Prepaid with related parties

	31-Dec-23		31-Dec-22	
	RMB	NTD	RMB	NTD
Prepaid - related parties:				
Other (below RMB 500 K)	705	3,046	174	767
Subtotal	\$705	\$3,046	\$174	\$767

The acquisition cost will be transferred to other related parties in accordance with a certain proportion, and the outstanding payables of the merged company will be transferred to other related parties in accordance with the above-mentioned certain proportion.

6. Work Compensation

	Q4 of 2023		Q4 of 2022	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$695	\$3,020	\$541	\$2,385
Other (below RMB 500 K)			16	71
Total	\$695	\$3,020	\$557	\$2,456

	2023		2022	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$2,200	\$9,665	\$1,619	\$7,159
Other (below RMB 500 K)			38	168
Total	\$2,200	\$9,665	\$1,657	\$7,327

Charges and payment terms of professional service provided by the associated companies are agreed through mutual negotiation.

7. Property transaction- obtain trademark rights

	2023		2022	
	RMB	NTD	RMB	NTD
Shanghai Zhongye Trading	\$0	\$0	\$12,264	\$54,229
Total	\$0	\$0	\$12,264	\$54,229

The Chlitina Group obtained the trademark from an affiliated company from January 1 to December 31, 2022. The total payment including tax was RMB 13,000 (equal NT\$ 57,676).

8. Lease

	Q4 of 2023		Q4 of 2022	
	RMB	NTD	RMB	NTD
Rent real estate property				
Biodynasty			\$1,578	\$6,957
Long Chuang Daily Product	\$3,625	\$15,685		
Total	\$3,625	\$15,685	\$1,578	\$6,957

Rent real estate property	2023		2022	
	RMB	NTD	RMB	NTD
Kelti (China) Co., Ltd.	\$10,979	\$48,234		
Biodynasty			1,578	6,957
Long Chuang Daily Product	3,625	15,685		
Total	\$14,604	\$63,919	\$1,578	\$6,957
	31-Dec-23		31-Dec-22	
	RMB	NTD	RMB	NTD
Lease liabilities				
Kelti (China) Co., Ltd.	\$9,754	\$42,204	\$4,521	\$19,929
New Kinpo Group Co., Ltd.			2,626	11,575
Chen, Wu-Kang	592	2,560	1,552	6,842
Biodynasty	12,033	52,067	13,508	59,543
Long Chuang Daily Product	1,223	5,290	1,446	6,374
Chaoneng Co., Ltd.			657	2,896
Other (below RMB 500 K)	270	1,172		
Total	\$23,872	\$103,293	\$24,310	\$107,159
	Q4 of 2023		Q4 of 2022	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	\$159	\$701	\$104	\$455
Total	\$159	\$701	\$104	\$455
	2023		2022	
	RMB	NTD	RMB	NTD
Interest expenses				
Other (below RMB 500 K)	\$656	\$2,883	\$831	\$3,675
Total	\$656	\$2,883	\$831	\$3,675

Lease fees contracted between the associated companies are based on market reference rates and negotiation and are settled with normal payment terms.

CHLITINA HOLDING LIMITED

Operating Procedures for the Board of Directors Meetings

【Annex IV】

After revision	Before revision	Reason for revising
<p>Article 4 Operation details (1)~(3) Omitted (4) The company's board of directors shall notify all directors seven days in advance of the meeting, and specify the time, place, reason for convening, etc., and may substitute written notice by fax, email, etc. ; In case of an emergency, a meeting may be convened at any time, and directors may not object to the meeting on the grounds that the notice period was less than seven days. The notice of the meeting referred to in the preceding paragraph may be made electronically if the recipient agrees. The agenda items listed in item (8) should be included in the notice of the meeting and may not be proposed as ad hoc resolutions. (5)~(7)Omitted (8) The following matters shall be discussed by the board of directors of the company: 1.The company's business plan 2. Annual financial reports and semi-annual financial reports. However, semi-annual financial reports that do not require certification by a CPA under Taiwanese law are not included in this requirement. 3. The establishment or amendment of the internal control system in accordance with Article 14-1 of the Taiwanese Securities and Exchange Act, and the assessment of the effectiveness of the internal control system.</p>	<p>Article 4 Operation details (1)~(3) Omitted (4) The company's board of directors shall notify all directors seven days in advance of the meeting, and specify the time, place, reason for convening, etc., and may substitute written notice by fax, email, etc. ; In case of an emergency, a meeting may be convened at any time, and directors may not object to the meeting on the grounds that the notice period was less than seven days. The notice of the meeting referred to in the preceding paragraph may be made electronically if the recipient agrees. The agenda items listed in item (8) should be included in the notice of the meeting except in cases of emergency or other legitimate reasons, and may not be proposed as ad hoc resolutions. (5)~(7)Omitted (8) The following matters shall be discussed by the board of directors of the company: 1. The company's business plan 2. Annual financial reports and semi-annual financial reports. However, semi-annual financial reports that do not require certification by a CPA under Taiwanese law are not included in this requirement. 3. The establishment or amendment of the internal control system in accordance with Article 14-1 of the Taiwanese Securities and Exchange Act, and the</p>	<p>In accordance with letter No. 11103832635 from the Financial Supervisory Commission (FSC) dated August 5, 2022, relevant provisions have been amended.</p>

After revision	Before revision	Reason for revising
<p>4. The establishment or amendment of the procedures for handling significant financial transactions, such as the acquisition or disposal of assets, derivatives trading, lending of funds to others, endorsement or provision of guarantees for others, in accordance with Article 36-1 of the Taiwanese Securities and Exchange Act.</p> <p>5. The issuance, offering, or private placement of securities with equity-like characteristics.</p> <p>6. The election or dismissal of the chairman of the board of directors.</p> <p>7. The appointment or dismissal of a financial, accounting, or internal audit manager.</p> <p>8. The appointment or dismissal of a financial, accounting, or internal audit manager.</p> <p>9. Matters that shall be decided by the shareholders' meeting or the board of directors in accordance with Article 14-3 of the Taiwan Securities and Exchange Act, other Taiwanese laws and regulations, or the company's articles of association, or matters that are considered significant by the Taiwanese competent authorities.</p> <p>The "related parties" referred to in item 8 of the previous paragraph shall be defined in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"; "Significant donations to non-related parties" shall refer to cases where the amount of a single donation or the cumulative amount of donations to the same recipient reaches</p>	<p>assessment of the effectiveness of the internal control system.</p> <p>4. The establishment or amendment of the procedures for handling significant financial transactions, such as the acquisition or disposal of assets, derivatives trading, lending of funds to others, endorsement or provision of guarantees for others, in accordance with Article 36-1 of the Taiwanese Securities and Exchange Act.</p> <p>5. The issuance, offering, or private placement of securities with equity-like characteristics.</p> <p>6. The appointment or dismissal of a financial, accounting, or internal audit manager.</p> <p>7. Donations to related parties or significant donations to non-related parties. However, charitable donations made for emergency relief in the event of a major natural disaster may be retroactively approved at the next board of directors meeting.</p> <p>8. Matters that shall be decided by the shareholders' meeting or the board of directors in accordance with Article 14-3 of the Taiwan Securities and Exchange Act, other Taiwanese laws and regulations, or the company's articles of association, or matters that are considered significant by the Taiwanese competent authorities.</p> <p>The "related parties" referred to in item 7 of the previous paragraph shall be defined in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers";</p>	

After revision	Before revision	Reason for revising
<p>NT\$100 million or more, or reaches 1% of the net sales revenue or 5% of the paid-in capital in the most recent financial report audited by a CPA.</p> <p>The "one year" referred to in the previous paragraph shall be calculated by using the date of the current board of directors meeting as the basis and tracing back one year. Any amounts that have already been approved by the board of directors shall not be included in the calculation again.</p> <p>For foreign companies whose stocks have no par value or whose par value per share is not denominated in NT\$10, the amount referred to as "5% of the paid-in capital" in the previous paragraph shall be calculated as 2.5% of the shareholders' equity.</p> <p>(9)~(34)Omitted</p>	<p>"Significant donations to non-related parties" shall refer to cases where the amount of a single donation or the cumulative amount of donations to the same recipient reaches NT\$100 million or more, or reaches 1% of the net sales revenue or 5% of the paid-in capital in the most recent financial report audited by a CPA.</p> <p>The "one year" referred to in the previous paragraph shall be calculated by using the date of the current board of directors meeting as the basis and tracing back one year. Any amounts that have already been approved by the board of directors shall not be included in the calculation again.</p> <p>For foreign companies whose stocks have no par value or whose par value per share is not denominated in NT\$10, the amount referred to as "5% of the paid-in capital" in the previous paragraph shall be calculated as 2.5% of the shareholders' equity.</p> <p>(9)~(34)Omitted</p>	
<p>Article 7 Revision Record:</p> <p>This procedure was implemented after being approved at the extraordinary shareholders' meeting on August 23, 2012. The first amendment to this procedure was implemented after being approved at the annual shareholders' meeting on June 5, 2018. The second amendment to this procedure was implemented after being approved by the board of directors on March 12, 2020</p> <p><u>The third amendment to this procedure was implemented after being approved by the board of directors on November 11, 2022.</u></p>	<p>Article 7 Revision Record:</p> <p>This procedure was implemented after being approved at the extraordinary shareholders' meeting on August 23, 2012.</p> <p>The first amendment to this procedure was implemented after being approved at the annual shareholders' meeting on June 5, 2018. The second amendment to this procedure was implemented after being approved by the board of directors on March 12, 2020.</p>	<p>Updating revision dates</p>

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Chlitina Holding Limited

Opinion

We have audited the accompanying consolidated balance sheets of Chlitina Holding Limited and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Accuracy of sales discounts and allowances calculation and recognition

Description

Refer to Note 4(28) for accounting policy on sales discounts and allowances.

The Group offers sales discounts and allowances to customers based on mutual agreement which is recorded as deduction to operating revenue. Given its mathematical complexity, large volume and its significance in determining the Group's operating performance and financial condition for the investors and key management, we considered the accuracy of sales discounts and allowances calculation and recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Tested whether the internal controls over sales and collection process (including manual and system controls) are effectively designed and performed.
- B. Obtained documentation reviewed and approved by key management to verify whether the calculations of sales discounts and allowances were accurate.
- C. Selected samples of sales discounts and allowances transactions and checked against supporting documentation to ascertain whether they were accurate.

Accounting estimates on inventory valuation

Description

Refer to Note 4(12) for accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation and Note 6(5) for details of inventories.

The Group is primarily engaged in the research and development, manufacturing and sales of skincare products. Due to the short expiration dates of its products, the Group is exposed to higher risks of inventory valuation loss or overdue loss when purchase orders are modified or sales deteriorates unexpectedly. The Group evaluates inventories stated at the lower of cost and net realisable value and recognises provision based on the length of time to the products' expiration date.

Since the amount of inventories is significant, the inventory items are numerous, the evaluation of inventories is subject to management's judgement and the accounting estimations have a significant influence on the inventory values, we considered the valuation of inventories as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Assessed whether the valuation policy is consistently applied and reasonable based on our understanding of the Group's operations and industry.
- B. Obtained the calculation table of gross margin of the Group's each product category and assessed whether the net realisable value used by management is appropriate.
- C. Obtained the detailed listings of products' expiration date, inspected the related supporting documents to ascertain the accuracy of expiration date and assessed whether the allowance for valuation loss provided by the Group based on the length of time to the expiration date is consistent with the actual historical sales and clearance trends of inventories.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. 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.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Wang, Sung-Tse

Lin, Chun-Yao

For and on behalf of PricewaterhouseCoopers, Taiwan

March 1, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of dollars)

	Asset	Notes	December 31, 2023			(As amended) December 31, 2022			(As amended) January 1, 2022								
			CNY	TWD	%	CNY	TWD	%	CNY	TWD	%						
Current Assets																	
1100	Cash and cash equivalents		\$	1,069,155	\$	4,626,234	52	\$	1,280,472	\$	5,644,321	65	\$	1,375,044	\$	5,973,191	60
1136	Financial assets at amortized cost – current	6(1)	268,901	1,163,535	13	-	-	-	-	-	-	-	241,962	1,051,083	10	-	-
1150	Notes receivable, net	6(1)(3)and 8	-	-	-	-	-	4	-	-	-	-	-	5	22	-	-
1170	Accounts receivable, net	6(4)	752	3,254	-	-	-	-	477	2,103	-	-	723	3,141	-	-	-
1180	Accounts receivable - related parties, net	6(4)and 7	208	899	-	-	-	-	-	-	-	-	115	500	-	-	-
1200	Other receivables		26,373	114,116	1	17,458	76,955	1	17,458	76,955	1	15,136	65,751	1	-	-	-
1210	Other receivables - related parties	7	320	1,389	-	263	1,163	-	263	1,163	-	455	1,977	-	-	-	-
130X	Inventories	6(5)	89,711	388,179	4	110,326	486,317	6	110,326	486,317	6	104,711	454,865	4	-	-	-
1410	Prepayments		29,533	127,789	1	16,337	72,009	1	16,337	72,009	1	23,402	101,655	1	-	-	-
1470	Other current assets		-	-	-	-	-	-	-	-	-	-	-	-	10	-	-
11XX	Total current assets		1,484,953	6,423,395	71	1,425,334	6,282,872	73	1,425,334	6,282,872	73	1,761,555	7,652,195	76	-	-	-
Non-current assets																	
1510	Financial assets at fair value through profit or loss - non-current	6(2)	65,291	282,514	3	50,064	220,682	3	50,064	220,682	3	21,046	91,424	1	-	-	-
1550	Investments accounted for using equity method	6(6)	61,725	267,084	3	48,355	213,149	2	48,355	213,149	2	49,636	215,619	2	-	-	-
1600	Property, plant and equipment, net	6(7)	263,407	1,139,762	14	278,969	1,229,695	14	278,969	1,229,695	14	303,842	1,319,890	13	-	-	-
1755	Right-of-use assets		80,945	350,249	4	93,075	410,275	5	93,075	410,275	5	112,940	490,611	5	-	-	-
1760	Investment property, net		14,749	63,819	1	15,743	69,395	1	15,743	69,395	1	16,737	72,706	1	-	-	-
1780	Intangible assets, net	6(9)and 7	18,671	80,789	1	21,060	92,832	1	21,060	92,832	1	15,104	65,612	1	-	-	-
1840	Deferred income tax assets	6(24)	22,855	98,894	1	26,332	116,071	1	26,332	116,071	1	36,386	158,061	-	-	-	-
1900	Other non-current assets	6(7)	45,415	196,504	2	9,589	42,268	-	9,589	42,268	-	15,021	65,250	1	-	-	-
15XX	Total non-current assets		573,058	2,479,615	29	543,187	2,394,367	27	543,187	2,394,367	27	570,712	2,479,173	24	-	-	-
1XXX	Total assets		\$ 2,058,011	\$ 8,902,010	100	\$ 1,968,521	\$ 8,677,239	100	\$ 1,968,521	\$ 8,677,239	100	\$ 2,332,267	\$ 10,131,368	100	-	-	-

- Continued -

CHILITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands of dollars)

	Liabilities and Equity	Notes	December 31, 2023			(As amended) December 31, 2022			(As amended) January 1, 2022								
			CNY		%	CNY		TWD	%	CNY		TWD	%				
Current liabilities																	
2100	Short-term loans	6(10)and 8	\$	457,701	\$	1,980,472	22	\$	104,503	\$	460,649	5	\$	252,969	\$	1,098,897	11
2130	Current contract liabilities	6(18)		81,870		354,251	4		80,664		355,567	4		96,496		419,179	4
2170	Accounts payable			14,157		61,257	1		14,297		63,021	1		15,577		67,666	1
2180	Accounts payable - related parties	7		5,938		25,693	-		4,089		18,024	-		7,169		31,144	-
2200	Other payables	6(11)		96,900		419,289	5		101,202		446,098	5		184,516		801,538	8
2220	Other payables - related parties	7		1,081		4,677	-		759		3,346	-		468		2,033	-
2230	Current income tax liabilities			16,875		73,018	1		20,559		90,624	1		58,475		254,015	2
2280	Lease liabilities - current	7		28,726		124,297	1		27,726		122,216	1		31,393		136,371	1
2320	Long-term borrowings - current portion	6(12)		-		-	-		-		-	-		63,720		276,800	3
2645	Guarantee deposits			90,664		392,303	4		81,129		357,619	4		86,194		374,425	4
21XX	Total current liabilities			793,912		3,435,257	38		434,928		1,917,164	21		796,977		3,462,068	34
Non-current liabilities																	
2540	Long-term borrowings	6(12)		-		-	-		390,145		1,719,759	21		259,978		1,129,345	12
2570	Deferred income tax liabilities	6(24)		19,685		85,177	1		21,018		92,647	1		40,411		175,545	1
2580	Lease liabilities - non-current	7		53,872		233,104	3		66,116		291,439	3		84,311		366,245	4
2640	Net defined benefit liabilities	6(13)		620		2,683	-		620		2,733	-		707		3,073	-
25XX	Total non-current liabilities			74,177		320,964	4		477,899		2,106,578	25		385,407		1,674,208	17
2XXX	Total liabilities			868,089		3,756,221	42		912,827		4,023,742	46		1,182,384		5,136,276	51
Equity attributable to shareholders of the parent																	
Share capital																	
3110	Common stock	6(15)		161,772		794,924	9		161,772		794,924	9		161,772		794,924	8
Capital surplus																	
3200	Capital surplus	6(16)		280,133		1,388,422	16		276,621		1,372,879	16		276,621		1,372,879	13
Retained earnings																	
3310	Legal reserve	6(17)		174,681		794,924	9		174,681		794,924	9		173,010		787,546	8
3320	Special reserve			122,010		545,935	6		126,475		565,174	7		105,661		473,279	5
3350	Unappropriated retained earnings			463,926		2,265,122	25		353,318		1,768,678	20		435,769		2,131,638	21
Other equity																	
3410	Financial statements translation differences of foreign operations		(	13,065)	(	642,564)	(7)	(	15,696)	(	548,385)	(6)	(	3,379)	(	567,040)	(6)
3420	Unrealised gains (losses) from financial assets at fair value through other comprehensive income			465		2,026	-		568		2,479	-		429		1,866	-
Treasury stocks																	
3500	Treasury stocks	6(15)		-		-	-	(	22,045)	(	97,176)	(1)		-		-	-
3XXX	Total equity	9		1,180,922		5,148,789	58		1,055,694		4,653,497	54		1,149,883		4,995,092	49
Significant contingent liabilities and unrecognised contract commitments																	
Significant events after the balance sheet date																	
3X2X	Total liabilities and equity	11		2,058,011		8,905,010	100		1,968,521		8,677,239	100		2,332,267		10,131,368	100

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

CHITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Expressed in thousands of dollars, except earnings per share data)

	Items	Notes	For the year ended December 31, 2023			(As amended) For the year ended December 31, 2022		
			CNY	TWD	%	CNY	TWD	%
4000	Operating revenue	6(18)and 7	\$ 1,032,202	\$ 4,534,771	100	\$ 920,261	\$ 4,069,210	100
5000	Operating costs	6(5)(23)and 7	(170,285)	(748,113)	(16)	(160,867)	(711,322)	(17)
5900	Gross profit		861,917	3,786,658	84	759,394	3,357,888	83
	Operating expenses	6(23)and 7						
6100	Selling expenses		(417,531)	(1,834,334)	(41)	(330,536)	(1,461,564)	(36)
6200	Administrative expenses		(167,259)	(734,819)	(16)	(154,989)	(685,330)	(17)
6300	Research and development expenses		(4,465)	(19,616)	-	(7,014)	(31,015)	(1)
6000	Total operating expenses		(589,255)	(2,588,769)	(57)	(492,539)	(2,177,909)	(54)
6900	Operating profit		272,662	1,197,889	27	266,855	1,179,979	29
	Non-operating income and expenses							
7101	Interest income	6(3)(19)	36,337	159,639	4	22,349	98,823	2
7010	Other income	6(20)	49,216	216,221	5	33,520	148,219	4
7020	Other gains and losses	6(21)	15,860	69,678	2	(45,915)	(203,027)	(4)
7050	Finance costs	6(22)and 7	(35,256)	(154,890)	(4)	(15,131)	(66,906)	(2)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	6(6)	(9,815)	(43,120)	(1)	33	146	-
7000	Total non-operating income and expenses		56,342	247,528	6	(5,144)	(22,745)	-
7900	Profit before tax		329,004	1,445,417	33	261,711	1,157,234	29
7950	Income tax expense	6(24)	(93,748)	(411,863)	(9)	(105,698)	(467,376)	(11)
8200	Profit for the year		\$ 235,256	\$ 1,033,554	24	\$ 156,013	\$ 689,858	18
	Other comprehensive income (loss)							
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8311	Losses on remeasurements of defined benefit plans	6(13)	\$ 22	\$ 97	-	\$ 82	\$ 363	-
8320	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	(103)	(453)	-	139	613	-
8310	Total other comprehensive income (loss) that will not be reclassified to profit or loss		(81)	(356)	-	221	976	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361	Financial statements translation differences of foreign operations		5,211	(82,843)	(2)	(12,361)	18,461	-
8370	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method	6(6)	(2,580)	(11,336)	-	44	194	-
8360	Total other comprehensive income (loss) that will be reclassified to profit or loss		2,631	(94,179)	(2)	(12,317)	18,655	-
	Other comprehensive income (loss) for the year		2,550	(94,535)	(2)	(12,096)	19,631	-
8500	Total comprehensive income for the year		\$ 237,806	\$ 939,019	22	\$ 143,917	\$ 709,489	18
	Earnings per share (in dollars)	6(25)						
9750	Basic earnings per share		\$ 2.97	\$ 13.03		\$ 1.96	\$ 8.68	
9850	Diluted earnings per share		\$ 2.96	\$ 13.01		\$ 1.96	\$ 8.67	

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

(Expressed in thousands of dollars)

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

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in thousands of dollars)

		For the year ended December 31, 2023		For the year ended December 31, 2022	
	Notes	CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Profit before tax		\$ 329,004	\$ 1,445,417	\$ 261,711	\$ 1,157,234
Adjustments					
Adjustment to reconcile profit (loss)					
Depreciation	6(7)(8)(21)(23)	70,444	309,482	74,250	328,320
Amortization	6(9)(23)	3,616	15,886	3,498	15,467
Net (gain) loss on financial assets at fair value through profit or loss	6(2)(21)	(15,448)	(67,868)	1,974	8,729
Interest expense	6(8)(9)(22)	35,256	154,890	15,131	66,906
Interest income	6(19)	(36,337)	(159,639)	(22,349)	(98,823)
Compensation cost of share-based payments	6(14)	3,512	15,543	-	-
Share of (profit) loss of associates and joint venture accounted for using equity method	6(6)	9,815	43,120	(33)	(146)
Loss on disposal of property, plant and equipment	6(7)(21)	661	2,905	588	2,600
Impairment loss on intangible assets	6(9)(21)	-	-	5,623	24,863
Impairment loss recognised in profit or loss, investments accounted for using equity method	6(9)(21)	-	-	1,363	6,027
Gain from lease modifications	6(8)(21)	(17)	(75)	-	-
Changes in operating assets and liabilities relating to operating activities					
Changes in operating assets					
Financial assets at fair value through profit or loss		614	2,697	976	4,317
Notes receivable		1	4	4	18
Accounts receivable	(	275)	(1,208)	246	1,088
Accounts receivable - related parties	(	208)	(914)	115	509
Other receivables	(	5,981)	(26,276)	(5,613)	(24,820)
Other receivables - related parties	(	57)	(250)	192	849
Inventories		20,615	90,568	(5,615)	(24,828)
Prepayments	(	13,196)	(57,974)	7,065	31,240
Changes in operating liabilities					
Contract liabilities		1,206	5,298	(15,832)	(70,006)
Accounts payable	(	140)	(615)	(1,280)	(5,660)
Accounts payable - related parties		1,849	8,123	(3,080)	(13,619)
Other payables	(	4,789)	(21,040)	(83,987)	(371,374)
Other payables - related parties		322	1,415	291	1,287
Net defined benefit liabilities		22	97	5	22
Guarantee deposits		9,535	41,890	(5,065)	(22,396)
Cash provided by operating activities		410,024	1,801,476	230,178	1,017,804
Interest paid	(	34,769)	(152,751)	(14,458)	(63,930)
Income tax paid	(	95,288)	(418,629)	(152,953)	(676,328)
Net cash provided by (used in) operating activities		279,967	1,230,096	62,767	277,546

- Continued -

CHLITINA HOLDING LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in thousands of dollars)

		For the year ended December 31, 2023		For the year ended December 31, 2022	
	Notes	CNY	TWD	CNY	TWD
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Acquisition of financial assets at amortised cost		(\$ 481,575)	(\$ 2,115,703)	\$ -	\$ -
Proceeds from disposal of financial assets at amortised cost		212,674	934,341	241,962	1,069,908
Acquisition of financial assets at fair value through profit or loss		-	-	(30,000)	(132,654)
Decrease in other current assets		-	-	2	9
Acquisition of property, plant and equipment	6(26)	(56,570)	(248,740)	(12,850)	(56,820)
Acquisition of intangible assets	6(9)	(440)	(1,933)	(15,072)	(66,645)
Decrease in other non-current assets		1,318	5,790	8,036	35,534
Interest received		33,403	146,749	25,640	113,375
Net cash used in investing activities		(311,532)	(1,369,496)	217,718	962,707
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>					
Repayment of the principal portion of lease liabilities	6(27)	(34,881)	(153,243)	(39,641)	(175,284)
Increase (decrease) in short-term borrowings	6(27)	360,001	1,581,593	(142,798)	(631,423)
Proceeds from long-term borrowings	6(27)	35,508	155,997	550,586	2,434,581
Repayments of long-term borrowings	6(27)	(426,959)	(1,875,756)	(493,200)	(2,180,831)
Purchase of treasury stocks	6(15)	(334)	(1,984)	(22,045)	(97,176)
Exercise of employee share options	6(15)	22,379	99,160	-	-
Payment of cash dividends	6(17)	(129,135)	(556,446)	(216,061)	(953,908)
Net cash flows used in financing activities		(173,421)	(750,679)	(363,159)	(1,604,041)
Effects due to changes in exchange rates		(6,331)	(128,008)	(11,898)	34,918
Increase (decrease) in cash and cash equivalents		(211,317)	(1,018,087)	(94,572)	(328,870)
Cash and cash equivalents at beginning of year		1,280,472	5,644,321	1,375,044	5,973,191
Cash and cash equivalents at end of year		\$ 1,069,155	\$ 4,626,234	\$ 1,280,472	\$ 5,644,321

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

Chlitina Holding Limited
Distribution of Earnings in 2023

[Annex VI]

Unit: NT\$

Unappropriated retained earnings for previous year	1,229,300,644
Add: Effect of retrospective application and retrospective restatement	2,170,481
Add: Re-measurement on benefit plans	96,771
Add: Net profit after tax in this year	1,033,553,578
Withheld items	
Less: Legal reserve - 10% (the amount set aside as legal reserve already exceeds total authorized capital)	0
Add: Special earnings reserve - Difference in exchange rates from the conversion of financial statements of overseas operating entities	94,603,131
Distribution of earnings for this year	2,170,518,343
Appropriation items:	
Shareholders' dividend - Cash	834,669,675
Unappropriated retained earnings for this year	1,335,848,668
Note: Based on the total number of issued shares of 79,492,350 shares, cash dividend of NT\$10.5 per share will be distributed.	

Chairperson: Chen, Pi-Hua



Manager: Chao, Chen-Yu



Accounting Supervisor: Yeh, Chien-Chih



Candidates for the Fifth term directors' election (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more	Number of shares held
1	Director	Chen, Pi-Hua	EMB A, Tongji University Ph.D of Keuka College, USA	Chairman of Chlitina Holding Limited	Chairman of Chlitina Holding Limited Director of (BVI) Chlitina Group Limited, Director of (BVI) Chlitina International Limited, Director of (BVI) Chlitina Intelligence Limited Director of Centre de Recherche et de Developpement of CHLITINA FRANCE EURL, Director of Hong Kong Chlitina International Limited Director of (BVI) Chlitina Marketing Limited Director of (BVI) W-Amber International Limited, Director of (BVI) W-Amber Marketing Limited Director of Hong Kong W-Amber International Limited Director of (BVI) W-Champion International Limited Director of (BVI) W-Champion Marketing Limited Director of Hong Kong W-Champion International Limited Director of (BVI) C-ASIA International Marketing Limited Director of Hong Kong Crystal Asia International Limited Director of Hong Kong Crystal International Services Limited Director of Hong Kong Jing Tai International Investment Limited Director of Yong Li Trading Company Limited Director of Vinh Le Company Limited Executive Director of Weihu (Shanghai) Health Management Consulting Co., Ltd Executive Director of Crystal Asia (Shanghai) Limited Executive Director of Shanghai Yuanshuo Management Consulting Limited Executive Director of Li Shuo Biotechnology (Shanghai) Co., Ltd. Executive Director of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd Executive Director of Hainan Shoumao Investment Limited Director of Huapao Sdn. Bhd. Director of PT PINING BEAUTY INDONESIA Director of Chlitina (Southeast Asia) Holding PTE. Ltd Medical Beauty Treatment Clinic Co., Ltd., Manager of British Virgin Islands, Chlitina Marketing Limited Taiwan Branch Manager of British Virgin Islands, Chlitina Intelligence Limited Taiwan Branch Director of WAN JU International Investment Limited Representative/Director of General Biologicals Corp. Representative/Director of U-Neuron Biomedical Inc. Director of (BVI) Desheng Global Limited Ltd. Director of (BVI) Wealthy Garden Investment Limited Director of (BVI) J&R International Holding Limited Director of (BVI) Pure Sky International Limited Director of Biodynasty Limited Director of San Yen So International Co., Ltd. Director of Cheng Yang Trading Co., Ltd. Supervisor of Kelti International Limited Director of Gem Fortune Investment Co., Ltd. Director of Jing Yung Gi Co., Ltd. Director of Healthmate Biotech Co., Ltd.	–	Not applicable	82,000

Chlitina Holding Limited

List of the candidates for the Fifth term directors' election (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more	Number of shares held
2	Director	Chen, Pei-Wen	MBA, Stillman School of Business, Seton Hall University, USA	Representative/Director of Chlitina Holding Limited	Representative/Director of Chlitina Holding Limited Director of HUAPAO SDN. BHD. Director of PT PINING BEAUTY INDONESIA Supervisor of Crystal Asia (Shanghai) Limited Director of J&V Global Limited Director of TuTu & Bow International Limited Director of FORTUNE RADIANCE INVESTMENT LIMITED Supervisor of Kelti (China) Daily Product Co., Ltd. Supervisor of Jin Yen (Shanghai) Biotech Co., Ltd. Supervisor of Zhaocang (Shanghai) Trading Co., Ltd. Chairman of San Yen So International Co., Ltd. Representative/Director of Phiwing International Co., Ltd. Representative/Director of Chlitina International Limited Director of Kelti International Trade Co., Ltd. Director of Charming Biotech Corporation Director of Dida Biomedical Limited Chaoneng Biochemical Technology Supervisor of HUNZAS Co., Ltd. Supervisor of Jin Yongji Co., Ltd. Supervisor of Quan Feng Sheng Investment Co., Ltd.	Wealthy Garden Investment Limited	Not applicable	28,056,000

Chlitina Holding Limited

List of the candidates for the Fifth term directors' election (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more	Number of shares held
3	Director	Chao, Chen-Yu	Bachelor of Arts in Communication, Fudan University - Master's, School of Economy and Management, Tongji University	CEO of Chlitina Holding Limited	CEO of Chlitina Holding Limited Executive Director of Chlitina (China) Trade Limited Executive Director of Weishuo (Shanghai) Daily Product Limited Supervisor of Shanghai Yuanshuo Management Consulting Limited Executive Director and General Manager of Shanghai Zhongye Trading Co., Ltd. Supervisor of Hedeng Clinic (Shanghai) Co., Ltd. Supervisor of Shanghai Yapu Medical Beauty Treatment Clinic Co., Ltd., Supervisor of Shanghai Lunxin Medical Beauty Treatment Clinic Co., Ltd. Executive Director of Shanghai Zhemei Vocational Training Co., Ltd. Executive Director of Shanghai Yongxiang Trading Co., Ltd. Chairman of Cheng Yang Trading Co., Ltd. Director of Yahe Consulting Co., Ltd. Director of (BVI) CAPITAL FAITH DEVELOPMENT LIMITED	–	Not applicable	110,036
4	Director	Wu, Sizong	Master's in Economics, Shanghai University of Finance and Economics - Bachelor's degree in Finance and Economics from Jiangxi University	Professor at Tongji University	Director of Chlitina Holding Limited Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Chairman of Shanghai Guanzong Investment Co., Ltd. Professor at Tongji University	–	Not applicable	0

Chlitina Holding Limited

List of the candidates for the Fifth term directors election (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more	Number of shares held
5	Independent director	Tsai, Yu-Chin	PhD, School of Accounting, Shanghai University of Finance and Economics Master's, College of Accounting, National Chengchi University	Director of the Audit Dept., KPMG Professor, Dept. of Finance, China University of Technology Passing High Level CPA Civil Test	Independent director/ Member of Audit Committee/ Member of Remuneration Committee of Chlitina Holding Limited Corporate Director Representative/ Nippon Electric Trading Co., Ltd. Independent Director/Remuneration Committee Member/Chairman of the Audit Committee/ Juhan System Technology Co., Ltd. Department of Finance /Assistant Professor, University of Science and Technology of China/	–	Yes/ Ms. Yu-Chin Tsai has served as an independent director of Chlitina for three consecutive terms. She has proven invaluable to the Company thanks to her professional abilities in finance, corporate management and corporate governance experience. She will therefore again be nominated as an independent director candidate. When she is performing her duties as an independent director, she can still use her expertise to supervise the board of directors and provide opinions.	0
6	Independent director	Hsu, Wen-Kuan	Department of Accounting, Soochow University	Director of the Internal Control Service Group of the Audit Service Department, PwC Taiwan Director, PwC Suzhou Branch, Mainland China. Mainland China Public Accountant Certification.	Independent director/ Member of Audit Committee/ Member of Remuneration Committee of Chlitina Holding Limited Independent Director, Eclatorq Technology Co., Ltd. Independent Director, (Cayman) BORETECH Resource Recovery Engineering Co., Ltd. Supervisor, Omnihealth Group, Inc.	–	NO	0

Chlitina Holding Limited

List of the candidates for the Fifth term directors' election (including independent directors)

No	Candidate Type	Name	Education	Experience	Current Positions	Affiliation	Whether the director has assumed the post of an independent director for three consecutive terms or more	Number of shares held
7	Independent director	Li Jin-Wei	Bachelor's degree in Power Mechanical Engineering from Tsinghua University - Master's Degree in Biomedical Engineering from the University of Southern California, USA	Founder and CEO of Jinqu Co., Ltd. Founder and CEO of Moment Unlimited Co., Ltd. Sponsor/Director of Taiwan Virtual and Augmented Reality Industry Association Sponsor of Youth Yushan Branch of Yushan Science and Technology Association	Founder and CEO of Jinqu Co., Ltd. Founder and CEO of Moment Unlimited Co., Ltd. Sponsor/Director of Taiwan Virtual and Augmented Reality Industry Association	-	NO	0
8	Independent director	Huang Lei-Kang	Juris Doctor, Tulane University, Louisiana, USA Bachelor of Science in Psychology, University of California, Los Angeles, USA	President of Cook University China Campus in New York, USA Senior lawyer at Han Kun Law Firm in Shanghai, China Senior lawyer at the Shanghai office of Clifford Chance LLP Senior associate at Preston Gates Law Firm in San Francisco, California Attorney at R&F Law Firm in San Francisco, California	President of Cook University China Campus in New York, USA Admitted to the Bar in California, USA	-	NO	0

Non-compete clause cancellation for newly-elected board members

Title	Name	Position held currently in other companies
Director	Chen, Pi-Hua	Representative/Director of General Biologicals Corp. Representative/Director of U-Neuron Biomedical Inc Director of (BVI) Desheng Global Limited Ltd. Director of (BVI) Wealthy Garden Investment Limited Director of (BVI) J&R International Holding Limited Director of (BVI) Pure Sky International Limited Director of Biodynasty Co., Ltd. Director of San Yen So International Co., Ltd. Director of Chen Young Trading Co., Ltd. Supervisor of Chlitina International Limited Director of Gem Fortune Group Director of Jing Yung Gi Co., Ltd. Director of Healthmate Biotech Co., Ltd.
Director representative	Chen, Pei-Wen	Director of J&V Global Limited Director of TuTu&Bow International Limited Director of Fortune Radiance Investment Limited Supervisor of Kelti (China) Daily Product Co., Ltd. Supervisor of Jin Yan (Shanghai) Biotech Co., Ltd. Supervisor of Zhaocang (Shanghai) Trading Co., Ltd. Chairman of San Yen So International Co., Ltd. Representative/Director of PHIWING International Co., Ltd. Director of Chlitina International Trade Co., Ltd. Director of Kelti International Trade Co., Ltd. Director of Charming Biotech Corporation Director of Biodynasty Co., Ltd. Supervisor of Healthmate Biotech Co., Ltd. Supervisor of HUNZAS Co., Ltd. Supervisor of Jing Yung Gi Co., Ltd. Supervisor of Gem Fortune Group
Director	Wu, Sizong	Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Director of Shanghai Guanzong Investments Co., Ltd.

Title	Name	Position held currently in other companies
Director	Chao, Chen-Yu	Executive Director of Shanghai Cheng Yang Trading Co., Ltd. Chairman of Cheng Yang Trading Co., Ltd. Director of Yahe Consulting Co., Ltd. Director of (BVI) Capital Faith Development Limited
Director	Wu, Sizong	Independent Director of Top Spring International Holdings Limited Independent Director of Shanghai Shimao Group Chairman of Shanghai Guanzong Investment Co., Ltd.
Independent director	Tsai, Yu-Chin	Independent Director/Remuneration Committee Member/Chairman of the Audit Committee/ Jiuhan System Technology Co., Ltd. Corporate Director Representative/ Nippon Electric Trading Co., Ltd.
Independent director	Hsu, Wen-Kuan	Independent Director, Eclatorq Technology Co., Ltd. Independent Director, (Cayman) Boretech Resource Recovery Engineering Co., Ltd. Supervisor, Omnihealth Group, Inc.
Independent director	Li Jin-Wei	Founder and CEO of J-Reach Co., Ltd. Founder and CEO of Moment Unlimited Co., Ltd.