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Taisun Enterprise Co., Ltd.

2022 Annual Report

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Taisun Enterprise Co., Ltd. website: http://www.taisun.com.tw

Market Observation Post System: http://mops.twse.com.tw

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V. The Company has no overseas listed trading of securities

VI. Company Website: http://www.taisun.com.tw

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One. Report to Shareholders

Dear shareholders, ladies, gentlemen, and distinguished guests. Thank you for taking the time out of your busy schedules to attend Taisun's 2023 Annual Meeting of Shareholders.

Inflation and geopolitics in 2022 have a huge impact on the global raw material supply chain and costs, and has direct impacts to global economic growth. The management is also actively responding to changes in the global economy that will result in soaring production costs and out-of-stock products in the supply chain. In addition to constantly adjusting our steps to deal with the difficulties externally, we also continue to carry out improvement plans internally, such as: building new production lines and eliminating old equipment to meet the new market demand in the future and provide better quality products. The Company also focuses on nurturing management talents and passing on more valuable experience to undertake the robust business in the future and further drive the growth of the Company's operating performance.

I. 2022 Operating Results:

(I) The results of the business plan:

The net consolidated operating income of the Company in 2022 was NT$11,069,440 thousand, an increase of NT$ 1,124,462 thousand compared to 2021; the 2022 net operating profit was NT$ -392,382 thousand, an increase of NT$601,739 thousand compared to 2021; the 2022 net profit after tax was NT$5,918,572 thousand, an increase of NT$5,326,561 thousand compared to the previous year.

(II) Budget Execution:

The Company did not disclose financial forecast and data for 2022. The overall revenue has grown, and the gross profit may not have been reached due to the impact of the international price surge of raw materials.

(III) Analysis of financial revenues and expenses:

Unit: NT$1,000

Item	2022	2021
Operating revenue	11,069,440	9,944,978
Operating costs	9,623,851	8,408,820
Operating margin	1,445,589	1,536,158
Operating expenses	1,837,971	1,326,801
Net operating income (loss)	(392,382)	209,357
Non-operating revenue and expenditures:	6,603,532	426,279
Profit before tax	6,211,150	635,636
Tax income (expense)	(292,578)	(43,625)
Net profit for the current period	5,918,572	592,011

(IV) Analysis of profitability:

Item	2022	2021
Gross profit margin	13.06%	15.45%
Net profit rate	53.47%	5.94%
Return on equity	60.55%	8.45%
Earnings per share	NT$12.17	NT$1.21

(V) Research and development status:

The Company continues to invest capital and manpower to develop new products and improve process technology. Furthermore, it seeks to master the source quality of formula raw materials. In response to future market demand, it promptly launches new products that meet hygiene, health and safety requirements, and that grasp the best profit opportunities.

II. Summary of 2023 Business Plan:

(I) Business Policy

1. Renew old equipment and expand new production capacity.
2. To develop new products and explore new markets.
3. Uphold ESG principles and implement sustainable operations.

(II) Estimated sales volume: Based on the current production capacity, future market

changes, and performance exploration strategies

1. The oil business includes oil products and soybean powder and the sales volume is expected to be 225 thousand tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 19.65 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 20,000 tons.

(III) Important production and marketing policies

1. Production policy:

(1) The Company's management systems and products have been certified. In order to comply with international trends and customer requirements, the entire production lines of the food factory and the oil factory have obtained SQF version 8.0 certification. Stringent food safety quality standards based on enhanced source management and product validation, which have been certified by GFSI.

(2) To improve the professional testing capacity of laboratories and obtain ISO/IEC 17025 accreditation from TAF Laboratories.

(3) Upgrade production lines, replace outdated equipment, make optimal use of energy, and improve process efficiency.

2. Sales policy:

(1) Continue to strengthen communication with consumers, strengthen brand image, and improve brand power.

(2) Develop new products, new customers, and deepen existing channels to meet customer needs.

(3) Continue to adjust product structure, develop and sell high value-added products, and increase contribution to revenue and gross profit.

(4) Actively deploy and integrate resources to maximize benefits and profitability.

III. Future development strategies of the Company

(I) Consumer-oriented product development: We constantly observe the pulse of society, collect market-related information to analyze and judge consumer preference trends, and actively develop products that cater to consumers' potential demand. We do so in order to enhance consumers' trust in the company, and to deepen brand loyalty and popularity, and strive for innovation and sustainable

operations.

(II) Improve marketing channels: Strengthen modern and traditional channels, and actively develop dining and e-commerce channels, so that products can be distributed throughout the country with a comprehensive network of intensive sales channels and improve operating efficiency.

(III) Sound quality management and system verification: The Company's various management systems and products have been certified, and such rigorous management system and verification are used to ensure the Company's product quality, increase the Company's product strength, and win the trust of the society and customers.

(IV) Upholding the ESG sustainable management principle: Based on the philosophy, "Taken from the community, giving back to society," the company has also actively participated in improvement activities such as net zero carbon emission, water treatment and green energy in recent years. A company should not just thoughtlessly pursue attractive financial reports. Sustainable development has become a common global goal. A company with higher ESG score will win the support of the public and investors, and will be able to operate for a long time.

IV. Impacts of the external competitive environment, the regulatory environment, and the overall business environment

(I) External competitive environment

With the changing preferences of consumers, the Company has always been consumer-oriented and developed natural, healthy, high-value-added products without additives or innovative materials to expand the brand's market share. Carefully select the source of raw materials to protect the health of consumers. We have also introduced various management and authentication systems to continue to provide products that meet consumer demand. To respond to international environmental protection trends and the issue of plastic reduction to protect marine life, we have built a new generation of tin and aluminum can production line to deepen the Company’s manufacturing strengths.

(II) The legal environment

The core value of the food industry is the iron law of food safety. Under this principle, it is the manufacturer's duty to continue to strictly control the quality and to provide products that consumers can consume with peace of

mind. In addition to complying with external regulations, we also properly manage all aspects of the management system and various verification systems internally, from product development, procurement management, raw material management, production, manufacturing, storage, transportation, and sales. The Company also conducts internal and external education trainings in a timely manner, and provides curriculum resources such as legal compliance to enhance employees' understanding of laws and regulations, and implement this practice in daily work to ensure the supply of products that consumers can consume with peace of mind.

(III) Overall business environment

The pandemic and geopolitics have resulted in inflation and rising raw material costs worldwide, which have had a huge impact on the global economic and trade environment. Despite the difficult business environment, we still showed our strong ambitions. Although the Company's profit and loss were not as good as last year, our business performance still reached a new high in recent years! Given the pressure of rising consumer prices, our management team will continue to improve corporate governance, create profits from the core business, and ensure the sustainable operation of the Company.

At this Annual Meeting of Shareholders, I would like to express my sincere gratitude to all shareholders for their support. I hope everyone will continue to give Taisun Company their guidance and affirmation so that the Company will grow stronger.

I wish you good health and all the best, and thank you!

Chairman: Ching-Chao Chan

Two. Company Profile

I. Date of establishment: October 26, 1950

Date of incorporation: October 21, 1960

II. Company History

1986	1. Increased capital by NTD 404,122,880 to boost feed production capacity by 60 tons per hour while improving oil and fat extraction. 2. Launched Taisun Mixed Congee.
1987	1. Capital injection of NTD 36,066,940 to improve financial structure; capital surplus transfer to common stock of NTD 11,315,440; retained earnings transfer to capital of NTD 48,494,740; along with an operational rationalization merger with Yong Yu Food Industry Co., Ltd. that increased capital by NTD 100,000,000, total capital thus increased to NTD 600 million. Built a shrimp feed factory with maximum monthly output of 1,200 tons. 2. Launched Peanut Soup.
1988	1. Capital injection of NTD 51,300,000; capital surplus transfer to common stock of NTD 14,700,000; total capital increased to NTD 666 million. Added a second production line to the shrimp feed factory; Japanese-made equipment allowed maximum monthly output to reach 120 tons/day. Invested in a new production line for Taisun Mixed Congee. Purchased an additional 77,303 square meters (23,384.15 pings) of land for a second animal husbandry plant. 2. Became the first company to obtain food GMP certification.
1989	1. Capital injection of 13,400,000 shares, with each share issued at a premium of NTD 13. Retained earnings transfer to capital of NTD 60,000,000. Used to set up additional auto production lines for Taisun Grass Jelly, introduced equipment to add more capacities for the beverages like Taisun Mixed Congee, Peanut Soup, Green Bean Soup, and Green Bean Paste, and invested in the bulk warehouse for the soybean powder of the oil plant, the pig house in the Beidou livestock farm, and the pollution control facilities of the plant and farm. Concluding his long years of accomplishment, former Chairman Mr. Chan Yu-Chu was elected Honorary Chairman and continued to bear responsibility for guiding our Company behind the scenes. Former Executive Vice Chairman Mr. Chan Jen-Tao was unanimously elected as Chairman by the Board of Directors. 2. Taisun Enterprise became a listed company.
1990	1. Capital injection of 20,000,000 shares, with each share issued at a premium of NTD 36. Retained earnings transfer to capital of NTD 137,600,000. Used for expansion of automatic production lines in food factories, additional wastewater treatment equipment and purchase of office buildings, set up of a shipping center, additional purchases of vending machines, and investment in the logistics industry. 2. Established a new corporate identification system. 3. The Taisun Cultural Foundation was established.

1991	1. Retained earnings transfer to capital of NTD 59,880,000, and capital surplus transfer to common stock of NTD 203,592,000. To improve financial structure and enrich working capital. 2. The Taisun Cultural Foundation won the “Group Award for the Association of Great Service Achievement” from the Ministry of Education.
1992	1. Transfer of earnings to increase capital for investment of NTD 160,717,920, and capital surplus transfer to common stock of NTD 160,717,920. To enrich working capital. Issued 30 million shares of Type A registered preferred stock at a premium of NTD 20 per share to repay bank loans and build frozen food and meat processing plants. 2. Launched Bing Jeon Black Tea.
1993	1. Capital surplus transfer to common stock of 124,950,470. Capital after capital increase (including preferred stock) was NTD 2,207,458,310. 2. Started selling frozen prepared foods, and also began construction on associated factories. 3. A Japanese patent was acquired for the processing technique of the Taisun Grass Jelly. 4. The oil, food, and feed plants passed ISO-9002 certification. 5. Won a National Quality Award (NQA), the highest honor in quality management. 6. Initiated indirect investment in mainland China by establishing a 100%-owned subsidiary in Singapore. 7. Teamed up with Thailand Uni Food Co., Ltd. to establish a food and beverage factory in Thailand.
1994	1. Capital surplus transfer to common stock of 175,049,530. Capital after capital increase (including preferred stock) was NTD 2,382,507,840. 2. The frozen food plant started production.
1995	1. Capital surplus transfer to common stock of 166,600,630. Capital after capital increase (including preferred stock) was NTD 2,549,108,740. 2. Launched Taisun Pure Water.
1996	1. Added a glass bottled beverage production line for food to produce YOGO lactic acid beverages. 2. The construction of the Kunshan and Zhangzhou plants in mainland China commenced.
1997	1. Capital surplus transfer to common stock of 89,964,340. Capital after capital increase (including preferred stock) was NTD 2,639,072,810. 2. Stepped into the construction industry with first case launched in the Taisun Great Century--Special Leader District. 3. The Kunshan plant and Zhangzhou plant in mainland China were completed and started production. 4. Investment was made in Central Union Oil Corp.

1998	1. Preferred stock of NTD 300 million entirely converted to common stock. 2. Retained earnings transfer to capital of NTD 116,953,640. Capital surplus transfer to common stock of NTD 116,953,640. Capital injection of NTD 360,000,000. Capital after capital increase was NTD 3,232,980,090. 3. Taisun Fruit Water was introduced to the market. 4. Central Union Oil Corp. began mass production.
1999	1. Production technology and equipment of soft-bag beverage Capri-Sun was introduced from Germany. 2. Investment was made in FamilyMart convenience store and in Taiwan-wide logistics. 3. The Taisun Cultural Foundation again won the “Group Award for Social Education Achievement.”
2000	1. Office automation system was activated. 2. Launched the second phase of construction for a district catering to high-profile individuals. 3. Raised NTD 450,000,000 through issuance of secured corporate bonds, with funds used to improve financial structure.
2001	1. Entered the refrigerated foods market and started mass production of chilled products. 2. PET production lines were established and passed GMP certification of the Industrial Development Bureau. 3. Kenneth Chan took over as General Manager.
2002	1. Obtained GMP certification for the production line of chilled snacks.
2003	1. Launched third phase of construction with commencement of the Shoufu Special District. 2. Internal manufacturing capability was improved and additional refrigerating equipment was installed. 3. Signed a five-year, NTD 1 billion syndicated loan with E.Sun Bank to improve financial structure.
2004	1. Capital surplus transfer to common stock of NTD 129,319 thousand. Capital after capital increase was NTD 3,362,299 thousand. Additionally merged with 100%-owned subsidiary Xintai Investment Co., Ltd., reducing capital by NTD 199,850 thousand. After the capital reduction, the capital amount was NTD 3,162,449 thousand. 2. Launched a series of refrigerated snack products. 3. Shares of Taiwan FamilyMart Co., Ltd. were bought in continuously to have more than 20% of shareholdings and substantial influence; the valuation method was changed to the equity method.
2005	1. Capital surplus transfer to common stock of NTD 63,249 thousand. Capital after capital increase was NTD 3,225,698 thousand. Additionally merged with 100%-owned subsidiary Pintai Investment Co., Ltd., reducing capital by NTD 86,057 thousand. After the capital reduction, the capital amount was NTD 3,139,641

thousand.

2. The Fresh Grass Jelly House and newly bottled pure water were introduced to the market.
3. The modernization of traditional snacks was continued to put MIXED CONGEE – Black Glutinous Rice & Job's Tears – on the market.

2006

1. Capital surplus transfer to common stock of NTD 62,793 thousand. Capital after capital increase was NTD 3,202,434 thousand.
2. General Manager Kenneth Chan was honored with the "Outstanding Food Entrepreneur Award" by the Institute of Food Science and Technology.
3. A GMP Outstanding Certificate was acquired for the production line of oil products.
4. A new construction project was launched with the commencement of the New Era Special District.
5. The NT$1 billion syndication loan case was renegotiated with E.Sun Bank to extend the period to 100 years.

2007

1. Kenneth Chan took over the Chairman position and Tsou Hsin-Nan took over the General Manager position.
2. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. marked the 10th anniversary of its establishment.
3. The IP, TP, and oil ISO22000 certificates were acquired in January 2007.
4. Nikomart signed an assets assignment agreement with FamilyMart.

2008

1. Pin-Tai Distribution merged with Jian Tai International and Pin Tai Company.
2. The aquatic products plant for production of floating ripened aqua feed was completed in Tianzhong.
3. The BSC Performance Management System was introduced to the entire company.
4. Taisun Pure Water was attached with the processed food trace code required by the Department of Health of the Executive Yuan.
5. The Fresh Grass Jelly House acquired the "New Product Award" from the Taiwan Association for Food Science and Technology.

2009

1. The professional aquatic products plant in Tianzhong was officially launched for production of floating aqua feed.
2. Taisun (Herbal) Co. Ltd. was founded, and the Taisun (Herbal) Refreshing Dessert Flagship Shop was launched on Xiamen's ZhongShan Road.
3. The Taisun Cultural Foundation won the "Social Education & Public Service Award" from the Ministry of Education in 2008.
4. New oil products Omega-3 Unsaturated Healthy Oil and Vitality Nuts Health Oil won a "New Product Commendation" from the Taiwan Association for Food Science and Technology.
5. The GMP Outstanding Certificate was acquired for the packaging line of oil products.
6. The Baidou farm acquired the traceability certificate for its livestock products.
7. Taisun joined the Total Brand Management (TBM) benchmarking academy boot

camp.

8. Chairman Kenneth Chan was elected as the 8th Secretary of the National Industry Council.
9. New brand Taisun Biotech launches its first "Nattokinase" product.
10. The Fresh House introduced unique large-grain products, namely Black Sugar Mesona with Coconut and Green Been with Job's Tears and Coconut.

2010

1. Yufeng pioneered collaboration with Hilife to jointly launch bubble mixture tea and march into the premium wedding pastry market by introducing a combination of different teas and refreshments with its Three Tea Ceremony cake gift box.
2. Introduced the first environment-friendly bottled water – TWIST WATER – in Taiwan under technical cooperation with the Plastics Industry Development Center, and acquired the first Carbon Footprint Label Certificate (No. 001) in Taiwan for its bottled water.
3. Launched the nation's first bottle of "Healthy and Good Blended Oil with the Essence of Nuts." Taisun's oil won the gold medal of the "2010 Reader's Digest Renowned Brand Award."
4. Taisun Biotech launched its HINA brand targeting the women's market, with products including One a Day Calcium Cookies and Body Oil Tablets.
5. Launched Taisun Nine Falling Winds Mullet Rice to penetrate the meat market, and obtained the Golden Diamond Award for Taiwan Top Ten Quality Mullet Roe in 2010.
6. Taisun's all-new official website came online.
7. Published the book "True Persistence" to share the management attitude and life philosophy of General manager Chan Jen-Tao.
8. The 60th Anniversary Thanksgiving Celebration Cocktail Party was held at the Grand Hotel.
9. Chairman Kenneth Chan was elected as the 7th Chairman of the Food and Food Industry Development Association.
10. Chairman Kenneth Chan was elected as the first vice chairman of the Association for Business Excellence.
11. Distribution of cash dividends of NTD 64,049 thousand and retained earnings transfer to capital of NTD 128,097 thousand. Capital after capital increase was NTD 3,330,531 thousand.

2011

1. Taisun's "TWIST WATER" was selected by the Food Bev Media in 2010 as one of the 20 most friendly containers in the future. It was the only honored brand from Taiwan.
2. Taisun's healthy oil again won the gold medal of the Reader's Digest Renowned Brand Award.
3. The GMP Outstanding Certificate was acquired for Taisun's packaging line of oil products.
4. Taisun mullet caviar won the Excellent Processed Aquatic Products Award from the Fisheries Department.
5. Yufeng Tea established its first mixed tea restaurant, "EMPERORLOVE Oriental Beauty Fashion Tea House," to enter the tea restaurant market.

6. Launched first functional tea beverage, "Tianshan snow lotus."
7. Launched first zero-calorie beverage, "Bing Jeon ZERO Beauty Tea."
8. Taisun Biotech's HINA brand launched Collagen Spatiotemporal Freezing, Retrospective Freezing of Time and Space, Nuannuan Siwu Iron Foaming Tablets, Aqua Collagen Drink, and Jingyan Beauty Drink.
9. Plasticizer incident: All Taisun products were submitted for inspection to confirm that they do not contain plasticizers.
10. The Taisun Pure Water was designated as the drinking water for the National Games in Changhua.
11. Distribution of cash dividends of NTD 116,568 thousand; retained earnings transfer to capital of NTD 99,916 thousand; capital after capital increase was NTD 3,430,447 thousand.

2012

1. “TWIST WATER” won the 20th Taiwan Excellence Award. It was the first bottled water that won the honor of this well-established award.
2. “TWIST WATER” won the “Excellence” award in the Food & Beverage Category of Business Next’s 3rd Green Brand Investigation.
3. Taisun’s “Good Oil” won the gold medal of the Reader’s Digest Renowned Brand Award for three consecutive years.
4. HINA Nuannuan Siwu Iron Herbal Foaming Tablets won the National Quality Mark and double certification of the food GMP smile mark.
5. Jiujiangfeng mullet caviar won the Excellent Aquatic Products Award from the Department of Agriculture, of the Executive Yuan.
6. The Babao line obtained GMP certification.
7. Passed the US FDA PET hot filling line certification and became the first company in Taiwan that exported PET-bottled neutral green tea to the USA.
8. Undertook OEM for Itoen of Japan for sale in Taiwan of four items including green tea, 530 ml strong tea, and 975 ml.
9. Taisun Bing Jeon Black Tea (IP 450ml) was incorporated in the “Safe Food Tracing Platform” of the Industrial Development Bureau of the Ministry of Economic Affairs.
10. Signed an agreement with mainland China's Hon Chuan regarding its aseptic PET filling line.
11. Launched new Big Straw brand products Ice Q Plum Green, and Konjac Milk.
12. Bing Jeon brand launched new Sakura Apple Tea product.
13. Taisun Biotech's HINA brand rolled out One a Day Calcium Healthy Wafer product.
14. Taisun (Herbal) Co., Ltd. opened its first store in the Qunguang region of Chengdu, Sichuan Province, on the mainland.
15. Launched PP-bottled Black Fungus with Longan Drink.
16. Launched a new Pearl Job’s Tears snack product (CAN330ml, PP290ml).
17. The Good Oil successfully entered the olive oil market with market share of 7%.
18. Held full product marketing activities for the first time with the Asian rock group Mayday, under the banner of "Drink Taisun and watch Mayday."
19. Yutai won the "Excellent Enterprise Award" of the Ministry of Economic Affairs'

Micro and Small Enterprise Highlight Project.

20. Obtained the well-known "Taisun" trademark in China.

2013

1. General Manager Tsou Hsin-Nan retired and took on an advisor position. On the recommendation of the Compensation Committee, the Board of Directors appointed Chairman Kenneth Chan to serve concurrently as General Manager.
2. Chairman Kenneth Chan was elected as 18th chairman of the Feed Trade Union, 8th chairman of the Food Industry Development Association, and chairman of the Taiwan Advertisers Association (TAA).
3. SAP-ERP system was launched online for Taiwan consumer foods and bulk oils.
4. Cooperated with Taiwan Hon Chuan Group to develop aseptic filling lines; Mesona Tea, a brand new product, was development under cross-strait cooperation.
5. Promotion activities were held under cross-strait cooperation and two “The Power of Grass” concerts were organized for the first time.
6. Obtained FDA certification in producing green tea for Itoen of Japan, and passed the North American Costco quality system inspection. Obtained Itoen's export orders from the United States and Canada.
7. Jointly promoted "source management information service project in line with the global food industry" in cooperation with Weiquan after obtaining this project from the Science and Technology Program of the Industrial Development Bureau of the Ministry of Economic Affairs.
8. The feed plant in Yuanlin changed its market position to a blank feed plant; the Taisun Beidou farm cooperated with Shang Lee Food to introduce “Lean Pork” to the market.
9. Extra Virgin Olive Oil was launched under the Good Oil brand name with accompanying organic food certification.
10. Good Oil brand Sunflower Seed Oil acquired the national good food certificate, standing as the only sunflower oil containing phytol.
11. The “Bing Jeon Guava Green Tea” Fresh House made its debut and ranked as one of the Top 3 new tea beverages on the market.
12. The copper chlorophyll content of the pure grape seed oil that Taisun imported from Spain was detected by the Ministry of Health and Welfare as positive. The products were removed from the shelves and recalled from consumers. They were then sealed in the plant and the sale was stopped for further determination.
13. The Taisun Cultural Foundation was praised by the Ministry of Education as the “2013 Outstanding Education Foundation.”

2014

1. Taisun Enterprise adopted a brand new corporate identity.
2. Chairman Kenneth Chan was elected as the third president of the Chinese Excellent Management Association (CEMA).
3. Taisun's Mesona Tea brand invited Jam Hsiao to act as spokesperson for the whole year.
4. Launched a Mesona Monopoly app, stepping into the mobile market for the first time by combining a monopoly game and the concept of bonus points; the app

broke through 50,00 downloads in a single month.

5. Signed a contract with the Ershui Rural Association for domestic fairy grass production, making this a source of fairy grass.
6. Introduced Oracle's PLM R&D management compliance system to strengthen autonomous management systems and align with international standards. Further joined the Source Management Information Service Platform of the Food Industry Development Association.
7. Food and oil plants acquired SQF-LEVEL3 certification. Became the first food company in Taiwan to obtain the highest level certification of the international SQF food safety standard.
8. The pig house in the Beidou farm was completed with the environment control system. It passed the Carrefour CQL certification and the pork became a Carrefour commodity under strict selection.
9. Expanded scope of cooperation with Itoen of Japan, manufacturing FamilyMart's own-brand tea drinks under Itoen's supervision.
10. Launched RT-Mart's exclusive Milk Red Bean dessert products.
11. Launched SQF certified 100% Canola Oil.
12. Launched unique, environmentally-friendly, convenient, and patented "Pure Water with Inseparable Cap."
13. Bing Jeon Guava Green Tea won the 2014 Innovative Product Appraisal Award.

2015

1. Introduced electronic invoicing system to facilitate follow-up and tracing of food and ensure food safety in the future. Established as the first food company in Central Taiwan to introduce an electronic invoicing system.
2. Introduced robotic arms to improve the working environment of the refrigeration line and save the manpower needed to work at low temperature.
3. Rolled out Mesona Q Milk onto the market, taking natural herbs as the core of the brand to launch healthy herbal jelly products.
4. Launched Taiwan Peanut Soup product. All of the peanuts were planted in Taiwan to provide safe quality material, and no condiments were added. The material was simmered to reproduce the original flavor of Taiwanese peanut soup as it tasted in the old times.
5. GMP Certification was changed to TQF in the second half of 2015. Taisun supported the change and carried out the sequential certification procedure.
6. Biomass boilers were used in all of Taisun's plants. It saved 1,461 kilograms of fuel oil in 2015 compared with the prior year and reduced CO2 emissions by 4,543 tons, thereby implementing carbon reduction measures.
7. The "Inseparable Cap" of Taisun Pure Water won the silver medal of the 2014 Innovative Product Appraisal Award.
8. Carried out a fairy grass contract with the Changhua Second Water Farmers Association, extending from five land leases to 30 land leases. Also extended co-cultivation cooperation to the Zhongpu area of Chiayi.
9. Issued the first CSR report and reviewed management actions based on GRI4, an international program indicator.

2016	1. The Beidou farm passed and was certified by Carrefour CQL. 2. An interim shareholders' meeting re-elected the full slate of directors, and appointed Chan Yi-Houg as Chairman, Chan Chin-Chia as Vice Chairman, and Ching-Chao Chan as General Manager. At the same time, an audit committee was set up. 3. Compensation Committee members changed, with Wu Chieh-Hsin, Tung Chun-Jen, and Liu Ming-Hsiung serving as committee members. 4. Chan Hao-Jun was reassigned as Chairman of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., to manage Taisun's operations on the mainland. 5. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. and Hon Chuan (Zhangzhou) Packaging Co., Ltd. agreed on termination of their performance bond but still continued to cooperate. 6. In response to the amendment of the Labor Standards Act, Taisun held control meeting to address arrangement of the production line shift schedule, reduction of the personnel expenses, and impact on the Company.
2017	1. Taisun oil products (nine in total) obtained halal certification from the Taipei Mosque Foundation. 2. Taisun Enterprise became an RSPO Member of the Palm Oil Sustainable Production Association. 3. Launched seven new products. Among them, Cheers won the first place in sparkling water single product sales in June (Nielsen data). 4. TWIST WATER obtained carbon footprint verification. 5. Taisun Enterprise (Kunshan) Co. Ltd. saw income proceeds transferred to Taisun Enterprise (Zhangzhou) Foods Co., Ltd. 6. Held first institutional investor conference. 7. By resolution of the Board of Directors, a capital injection of NTD 1,466,630 thousand was undertaken. 8. The 2016 CSR Report won the Silver Award in the Traditional Group for the TCSA Sustainability Report Award.
2018	1. Capital injection of NTD 2,390,607 thousand issued at a premium of NTD 16.30 per share, increasing capital to NTD 5 billion. 2. A new product, Cha Street, is the first to launch a joint drink with hand-cranked stall chains to penetrate this market, launching Sunrise Chatai Signature Baked Milk, Comebuy Sweet Orange Jinxuan, and Shuixiang Cha Nong Lemon Little Perilla. 3. Taisun entered the functional beverage market for the first time, launching its new BUFF energy drink. 4. Launched new Woo Tang herbal jelly tea product, aiming at the sugar-free tea market with brand differentiation. 5. Repaid NTD 1.4 billion in bank loans, significantly improving debt solvency and strengthen the financial structure. 6. Dealt with real estate on Siming South Road for Taisun (Herbal) Co. Ltd., increasing operating revenues.

	7. The PET production line of the Tianzhong food factory passed domestic organic agricultural processed product verification and USDA Organic Handing verification. 8. The Board of Directors passed a resolution to distribute a total of NT$11 million in employee remuneration for 2017. 9. The Annual Meeting of Shareholders decided to distribute cash dividends of NTD 0.4 per share for 2017. 10. To strengthen corporate governance, an extraordinary shareholders' meeting was convened to re-elect the full slate of directors. It elected four ordinary directors and three independent directors, increasing the proportion of independent directors in the board structure. 11. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. made early repayment of USD 10 million in foreign debt in a syndicated bank loan.
2019	1. The Board of Directors passed a resolution to distribute a total of NT$24 million in employee remuneration for 2018. 2. The Annual Meeting of Shareholders decided to distribute cash dividends of NTD 0.8 per share for 2018. 3. Compensation Committee organization rules were revised so that starting from June 1 more than half of the members will be independent directors. 4. The oil office building was opened, and the efficiency of the oil laboratory and oil work space was improved; The grease factory added iron barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the oil factory added a metal barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the new water treatment equipment of the food factory opened and increased the activated carbon process, providing higher quality water quality; in addition, the boiler of the second plant was changed to natural gas facility operations, strengthening factory air pollution control equipment, and it completed the replacement of the sterilization kettle of the mixed congee line. All equipment investments have been successfully put into operation.
2020	1. In January, the COVID-19 Prevention Management Program was implemented and as a result, there were no positive cases throughout the year. 2. At the Annual Meeting of Shareholders it was decided to distribute cash dividends of NTD 0.9 per share for 2019 - the highest in 20 years. 3. Taisun was included in MSCI World Small Cap Index 4. EAP Employee Assistance Program was introduced for the first time. It is a support system that integrates the Company's internal and external resources for our employees to promote workplace health and reduce risk to the organization. 5. New production lines were added for the oil business, and the establishment plan for new PE and iron and aluminum can production lines were initiated. 6. First sugar-free and additive-free congee product was launched to provide consumers with a healthy choice - Taisun Healthy Grain Congee.
2021	1. To strengthen the food safety policy and improve corporate governance, a “Food Safety Center” and “Occupational Safety and Health Management Committee” have

been set up to enhance the Group's occupational safety level. The HR Administration Unit has been assigned as the dedicated ethical corporate management unit to reinforce ethical business management.

2. In an attempt to correspond with Carrefour's food transformation scheme to reduce the amount of plastic packaging, Shang Lee Food teamed up with farms with strictly selected pork (including Taisun's Baidou Farm) to reduce disposable plastic products.

   Hence, high-density vacuum packaging has been adopted to respond to environmental protection while at the same time maintaining the freshness of food.
3. Promoted the "Letter of Commitment for Integrity and Sustainable Management" for the Group's vendors to sign and set up a Code of Conduct mailbox.
4. The Annual Meeting of Shareholders passed the motion to distribute cash dividends of NTD 1.4 per share for 2020.
5. Initiated 2020-2021 GHG greenhouse gas emissions inventory and planned to attain ISO 14064-1 in 2022.
6. New Food Plant 3 (iron and aluminum can line) obtained an approval letter from Changhua County Government for plant registration.
7. Awarded "iTaiwan i Sport" by the Sports Administration.
8. Baidou Farm was crowned the second place for healthy pork by Changhua Meat Market.
9. The Company held the 2021 Extraordinary Shareholders Meeting to elect the 22nd Board of Directors, and appointed Ching-Chao Chan as Chairman, Yi-Houg Chan as Vice Chairman, and Tsai Cheng-Ta as General Manager.

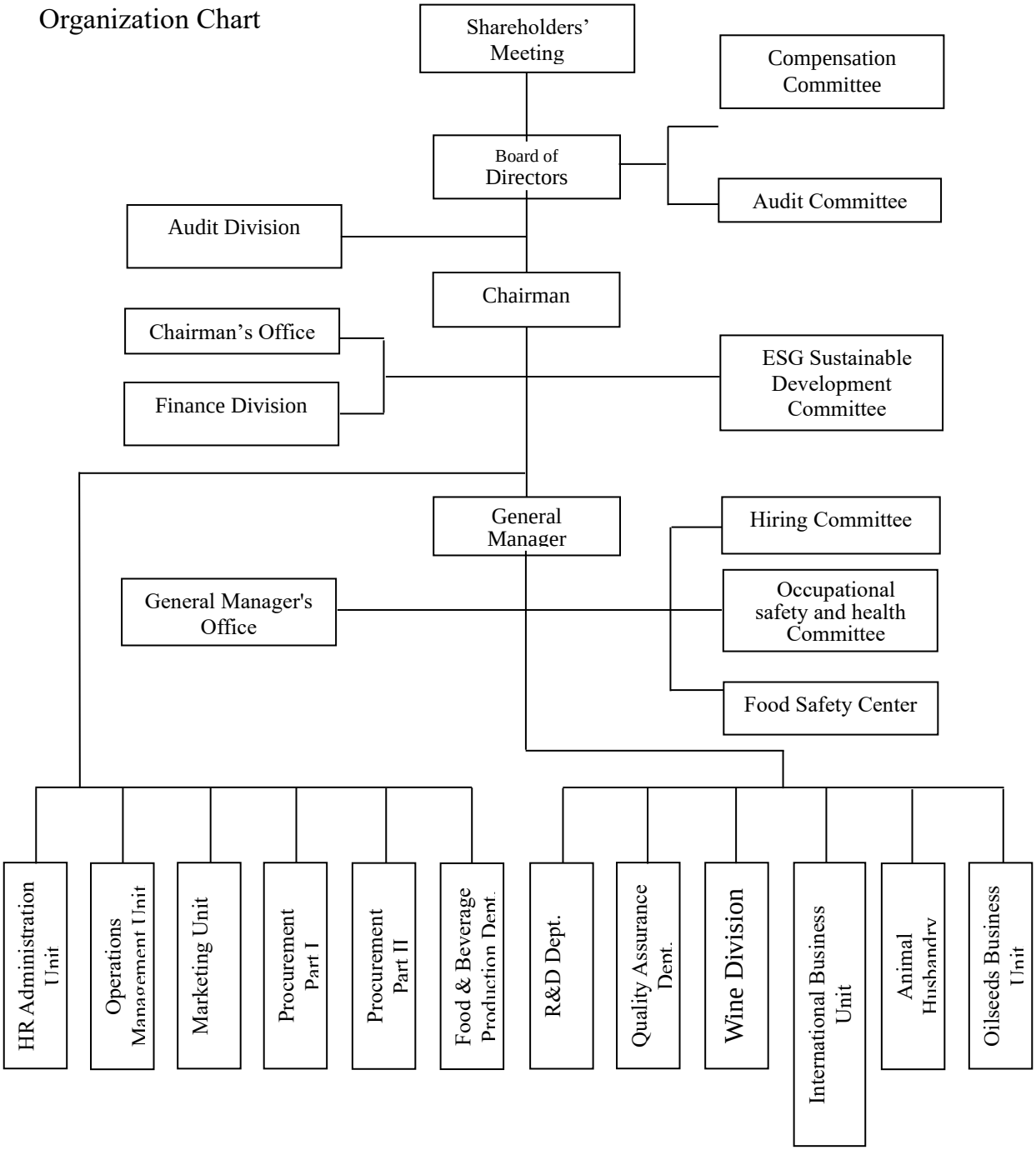
2022

1. In January, the Board of Directors approved the appointment of Li Ming-Hui, Chen Min-Hsun and Tu Ying-Ta as the new members of the Remuneration Committee.
2. Signed a contract with a company in the United States to formally authorize the distribution of "Sunkist" brand, and officially launched a new fruit juice business under the "Sunkist" brand.
3. Signed a cooperation contract with Matsu Distillery to become the sales agent of Matsu sorghum liquor in China. Sales began in December.
4. At the Annual General Meeting of Shareholders it was decided to distribute earnings in the form of cash dividends at NTD 1 per share for 2022.
5. The Taisun carbon inventory project (inventory years 2020 to 2021) passed the ISO14064-1 certification in June.
6. The Company started mass production of the r-PET product exported to the USA in December, marking a further step towards environmental protection.
7. In order to activate the value of long-term equity investment, enhance shareholders' equity and improve the financial structure, the disposal of FamilyMart shares was resolved on December 2 by the board of directors. The total amount was NT$8.097 billion, and the disposition gain was NT$5.453 billion.

Three. Corporate Governance Report

I. Organization System

(I) Organization Chart



(II) Business of each major department

Unit name	Department business
Compensation Committee	1. Formulate and regularly review the policies, systems, standards, and structures of the remuneration of directors, supervisors, and managers. 2. Consider the performance and risks related to remuneration and establish performance evaluation standards.
Audit Committee	Assist the Board of Directors in supervising the effective implementation of the Company's authority in compliance with Company Act, Securities and Exchange Act, and other relevant laws and regulations.
Audit Division	Ensure the effective operation of internal control systems, follow the audit business of government agencies and laws and regulations, implement internal audit systems and improvement suggestions to strengthen corporate governance.
Chairman's Office	Responsible for business development in the Group's new businesses, external public relations expansion, and custody of seals, certificates, and guarantees.
ESG Sustainable Development Committee	Responsible for the promotion of corporate social responsibility policies, systems, related management policies and plans, and implementing long-term commitments with stakeholders.
Financial Division	Preparation of the Board of Directors and shareholder meetings and financial risk management, cash management, investment and wealth management, financing scheduling and planning, announcements, and other services.
General Manager's Office	1. Strategic planning, new market development, new business opportunities, proposals and promotion of business policies and objectives. Planning of management meetings and follow-up of resolutions, promotion and supervision of management rules and regulations. 2. Supervision of communication with the outside world.
Human Resources Arbitration Committee	1. Implement and improve human resource development policies, and review major amendments to various human resource systems. 2. Adjudication of abnormal disputes and other appraisal of personnel rights and interests.
Occupational Safety and Health Committee	Plan, coordinate and suggest on matters in relation to occupational safety and health; improve the occupational safety and health management system via management functions such as planning, implementation, evaluation and improvement measures to achieve safety and health management objectives.
Food Safety Center	Promote the planning of systems, certifications in relation to food safety policies; carry out the Company's food safety management plans, food hygiene monitoring and supplier audits; and monitor the effectiveness and appropriateness of management system to ensure quality and food safety.
HR Administration Unit	Responsible for planning and formulating the Group's human resources policy, handling the research and drafting of the personnel system and implementation of the organization, planning, job setting and revision, general affairs, public relations, legal affairs, and other related businesses.
Operations Management Unit	Integrate management, accounting, and information functions, be responsible for implementing resource decision-making and operation management systems, regularly analyze profit and loss results and suggestions, and ensure the operation of the system.
Marketing Unit	Responsible for the integration, distribution and coordination of food and oil brand management and marketing resources.
Procurement Dept. 1	The formulation, implementation, and progress tracking and control of raw material procurement policies.
Procurement Dept. 2	Grasp domestic and international price trends, collect and research market information to ensure that the procurement prices are reasonable and delivery quality stable.
Food & Beverage Production Dept.	Responsible for the production management of food and oils and product logistics delivery, ensuring products manufactured are in compliance with domestic laws and

	regulations as well as international standards.
R&D Dept.	Responsible for the research and development and technological improvement of food and oil products.
Quality Assurance Dept.	Responsible for the quality assurance of food and oils as well as OEM products; plan for food safety certifications and promotion; and provide customers with stable, consistent quality food and services through professionalism to carry out healthy and safety-based business.
Wine Division	Distribution and agency of beverages and wines produced by Matsu Distillery, including special wine product development, wine product plan development, brand marketing and channel management.
International Business Unit	Contact foreign customers for production orders and product export business, develop Company product exports and introduce international high-quality product sales business.
Animal Husbandry	1. Responsible for the production, new product development, formulation improvement, quality verification, sales and service of aquatic feed products. 2. Management and operation of breeding farms.
Oilseeds Business Unit	1. Responsible for the sales management of soybean processing related products. 2. Purchase management of bulk materials.

II. Information on directors, supervisors, general managers, vice general managers, associates, supervisors of various departments and branches

(I) Directors and supervisors

1. Director information

Time of Information: May 2, 2023

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 2)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
Chairman	Republic of China	Jing Xun Investment Industrial Corporation Limited	-	2021/12/16	3 years	2016/04/25	10,446,082	2.09%	10,446,082	2.09%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Ching-Chao Chan	Male 51~60	2021/12/16	3 years	2004/06/16	6,459,862	1.29%	6,459,862	1.29%	511,000	0.10%	0	0	Note 2	Note 2	None	None	None	None
Vice Chairman	Republic of China	Shen Yang Investment Corporation Limited	-	2021/12/16	3 years	2016/04/25	2,630,570	0.53%	2,630,570	0.53%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: No-Hua Chen	Female 41~50	2023/01/17	3 years	2023/01/17	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Hongqiang Co., Ltd.	-	2021/12/16	3 years	2021/12/16	922,000	0.18%	922,000	0.18%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Hao-Jun Chan	Male 41~50	2021/12/16	3 years	2004/06/16	1,852,738	0.37%	1,852,738	0.37%	423,391	0.08%	922,000	0.18%	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	188,106,000	37.62%	0	0	58,279,000	11.66%	None	None	None	None	None	None
	Republic of China	Representative: Wei-Lung Liu	Male 51~60	2021/12/16	3 years	2009/06/10	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	188,106,000	37.62%	0	0	58,279,000	11.66%	None	None	None	None	None	None

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 2)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
	Republic of China	Representative: Tai-Sheng Han	Male 51~60	2021/12/16	3 years	2021/12/16	0	0.00%	0	0.00%	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Min-Hsun Chen	Female 51~60	2021/12/16	3 years	1998/05/26	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Ming-Hui Li	Male 61~70	2021/12/16	3 years	2009/11/16	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None

Note 1: Directors who have worked in the CPAs' firm or affiliated companies: None.

Note 2: Directors' principal experience (education) and positions now held concurrently in the Company and in other companies, please refer to pages 22 to 23 of the annual report.

Note 3: If the Chairman is the same person as the general manager or an equivalent position, or if they are spouses or relatives of one another: None.

Note 4: Director Yin Chang-Chung (representative of Huang-Qiao-Lin Co., Ltd. resigned on 2022/12/2)

Note 5: Vice Chairman Chan Yi-Houg resigned on 112/1/17. Director Chen Nuo -Hua took office on 2023/1/17.

Note 2: Directors' principal experience (education) and positions now held concurrently in the Company and in other companies.

Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Chairman	Ching-Chao Chan	Master Degree, Utah State University Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	General manager of Taisun Enterprise Co., Ltd., Independent Director of Super Dragon Technology Co., Ltd. Director of CVS.COM Co., Ltd.	Chairman of Taisun Enterprise Co., Ltd., Chairman /General Manager of Pin-Tai Distribution Enterprise Co., Ltd., Chairman of Taisun Yuan Co., Ltd, Chairman of TAISUN (CAYMAN) INVESTMENT LTD., Director of Pioneer Traffic Co. Ltd., Director of Taiwan Niko Mart Co., Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd.
Director	No-Hua Chen	LLB, Department of Law, National Taipei University	Researcher, Faculty of Law, The University of Tokyo, Japan Former Judicial Yuan Personnel Review Committee member Former Chief Judge, Criminal Division, Taipei District Court Chief Attorney-at-Law of Cheng Che Law Offices	Director of Taisun Enterprise Co., Ltd. Leading lawyer of WNCLF Law Firm
Director	Hao-Jun Chan	University of British Columbia, Canada, Bachelor Degree,	Supervisor of Taisun Enterprise Co.,Ltd.	Director of Taisun Enterprise Co., Ltd., Supervisor of Pin-Tai Distribution Enterprise Co., Ltd., Supervisor of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Chairman and General Manager of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Chairman of Hongqiang Co., Ltd.
Director	Wei-Lung Liu	College of Law, National Taiwan University	Chairman of Lungyen Life Service Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Long Bon International Co., Ltd. Chairman of Baosheng Investment Co., Ltd. Chairman of Reiju Construction Co Ltd.
Director	Tai-Sheng Han	Department of Physics, Tamkang University	Chairman of Evga Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Evga Corporation

Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Independent Director	Min-Hsun Chen	MBA, Drucker School of Management Claremont Graduate University, USA B.S., Business (Financial Management), University of Southern California	CEO of Taipei Management Center, E United Group Vice Chair, Decision Management Committee, E United Group Chairman of E-da Royal Hotel Company Ltd. Chairman of Taipei Financial Center Corp. Chairman of China Development Financial Holding Corporation	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of Minli Investment Co., Ltd.
Independent Director	Ming-Hui Li	Stevens Institute of Technology, Master of Business Administration	General Manager, MasterLink Securities Corporation General Manager of Taiwan International Securities Co., Ltd. General Manager of Huan Nan Securities Director of Taiwan Securities Association (2nd and 3rd terms) Director	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of MasterLink Securities Corporation

2. Principal shareholders of corporate shareholders

Time of Information: April 30, 2023

Name of corporate shareholders	Principal shareholders of corporate shareholders
Jing Xun Investment Industrial Corporation Limited	Chan Ai-Chen 98.19%

Name of corporate shareholders	Principal shareholders of corporate shareholders
Shen Yang Investment Corporation Limited	Jen-Hsin Chan, 97.60%

Name of corporate shareholders	Principal shareholders of corporate shareholders
Hongqiang Co., Ltd.	Hao-Jun Chan 98.41%

Name of corporate shareholders	Principal shareholders of corporate shareholders
Long Bon International Co., Ltd.	1. Global Funeral Services Co., Ltd. (17.71%) 2. Fortune Base Development Corp. Ltd. (15.27%) 3. An-Duo-Li Investment Co., Ltd. (9.61%) 4. Reiju Construction Co Ltd. (9.27%) 5. Jihe Investment Co.., Ltd. (8.75%) 6. Youlong Construction Development Co., Ltd. (6.54%) 7. Yuanfang Investment Co., Ltd. (4.18%) 8. Kun-Hung Tsai (2.80%) 9. Ming-Yi Luo (1.86%) 10. Sung Gang Corp. Limited (1.73)

Note 1: Directors and supervisors who are representatives of corporate shareholders should fill in the name of the corporate shareholder.

Note 2: Fill in the name of the major shareholder of the corporate shareholder (where its shareholding ratio accounts for the top ten) and its shareholding ratio. If the main shareholder is a juristic person, the Table 2 below should be filled in.

Note 3: If the corporate shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed shall be the name of the investor or donor (for information, please refer to Judicial Yuan announcements), and the ratio of capital contribution or contribution. Note "Deceased".

3. If the major shareholder of corporate shareholder is a juristic person, its major shareholder:

Name of corporate entity	Principal shareholders of corporate shareholders
Global Funeral Services Co., Ltd. (17.71%)	1. Fortune Base Development Corp. Ltd. (77.91%) 2. Henfu Development Corp. Ltd. (15.73%) 3. Chainlon alliance Co., Ltd. (1.58%) 4. Blue Star Development Corp. Ltd. (0.63%) 5. Yu-Hsi Hsiao (0.53%) 6. Kuan-Ju Wu (0.46%) 7. Hsin-Ting Wu (0.23%) 8. Tiao Hsiao (0.13%) 9. Man-Chin Kuo (0.13%) 10. Yu-Chiu Tsai (0.12%)
Fortune Base Development Corp. Ltd. (15.22%)	1. Jihe Investment Co.., Ltd. (19.50%) 2. Blue Star Development Corp. Ltd. (19.50%) 3. Eastmond Development (11.44%) 4. Xinyi Investment Co., Ltd. (9.42%) 5. Henfu Development Corp. Ltd. (8.73%) 6. Xinyi Investment Co., Ltd. (8.53%) 7. Hanyu Investment Co., Ltd. (7.38%) 8. Xinfa Investment Co., Ltd. (5.48%) 9. Mingzhu Investment Co., Ltd. (4.53%) 10. Dream Water Cube Co., Ltd. (2.24%)
An-Duo-Li Investment Co., Ltd. (9.61%)	1. Guoen Marketing Co., Ltd. 20.85% 2. Eastmond Development 19.47% 3. Henfu Development Corp. Ltd. 19.32% 4. Fortune Base Development Corp. Ltd. 18.58% 5. Henghui Real Estate Development Co., Ltd. 18.02% 6. Global Funeral Services Co., Ltd. 3.00% 7. Tuntex Distinct Corp. 0.64% 8. Weiyu International Investment Co., Ltd. 0.06% 9. Yuansheng Venture Capital Co., Ltd. 0.03% 10. Yu-Hao Chen 0.01%
Reiju Construction Co Ltd. (9.27%)	1. Long Bon International Co., Ltd. 90.10% 2. Cheng-Yueh Chang 2.03% 3. Ling-Yu Yang 0.96% 4. Hanyu Investment Co., Ltd. 0.68% 5. Hsiao-Yun Chen 0.35% 6. Shui-Cheng Chang 0.32% 7. Linrong Investment Co., Ltd. 0.29% 8. Jui-Yu Hsieh 0.27% 9. Employee Welfare Committee of Reiju Construction Co Ltd. 0.26% 10. Lung-Fa Hsieh 0.25%
Jihe Investment Co.., Ltd. (8.75%)	1. Fortune Base Development Corp. Ltd. 99.98% 2. Yueh-Hui Liang 0.01% 3. Hsiao-Hsin Ou 0.01%
Youlong Construction Development Co., Ltd. (3.79%)	1. Fortune Base Development Corp. Ltd. 42.47% 2. Long Bon International Co., Ltd. 17.26% 3. Sung Gang Corp. Limited 13.54% 4. Global Funeral Services Co., Ltd. 13.49% 5. Chin-Chieh Li 10.73% 6. Ching-Hao Su 0.70% 7. Yuan-Hsi Chen - 0.55% 8. Ching-Chih Su 0.30%

	9. Chi-Hsiung Li 0.12% 10. Shu-Man Liu 0.11%
Yuanfang Investment Co., Ltd. (4.35%)	1. Chien-Ting Chiang 38% 2. Discovery Enterprise Co., Ltd. 32% 3. Sung-Hua Chiang 20% 4. Pei-Yu Chiang 5% 5. Ming-Chun Chiang 5%
Sung Gang Corp. Limited (1.73%)	1. Yuanfang Investment Co., Ltd. 21.00% 2. Lai-Chun Tsao 20.20% 3. Yu-Fen Lin 15.83% 4. Hsiao-Ming Chang 14.61% 5. Jih-Chang Yeh 4.12% 6. Tsung-Yao Chang 1.61% 7. Chia-Lung Liang 0.89% 8. Yulong Construction Development Co., Ltd. 0.70% 9. Wei-Hsiu Tang 0.48% 10. Xin Li 0.44%

Note 1: Directors and supervisors who are representatives of corporate shareholders should fill in the name of the corporate shareholder.

Note 2: Fill in the name of the major shareholder of the corporate shareholder (where its shareholding ratio accounts for the top ten) and its shareholding ratio. If the main shareholder is a juristic person, the Table 2 below should be filled in.

Note 3: If the corporate shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed shall be the name of the investor or donor (for information, please refer to Judicial Yuan announcements), and the ratio of capital contribution or contribution. Note "Deceased".

4. Disclosure of information on professional qualifications of directors and independence of independent directors

May 2, 2023

Condition / Name		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
Director	Ching-Chao Chan	With his practical experience in strategic management and leadership competence in the food industry, Mr. Ching-Chao Chan has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He also serves as a director in a company in the relevant industry to contribute his corporate governance management expertise. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. No relationship with other directors falling within a spousal relationship or second degree of kinship. 2. Is not the same person or spouse as the Chairman, General Manager, or someone with an equivalent position of the company or institution as a director, supervisor, or employee of another company or institution.	None
Director	No-Hua Chen	Ms. No-Hua Chen is qualified as a lawyer in Taiwan and satisfies one of the professional qualification requirements specified in Paragraph 2, Article 14-2 of the Securities and Exchange Act. She has many years of practicing experience in a law firm. She was a researcher at the Law School, University of Tokyo, Japan, a former member of the Personnel Review Committee, Judicial Yuan, and former Chief Judge of the Criminal Division, Taipei District Court. She is currently the Chief Attorney-at-Law of Cheng Che Law Offices. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. No relationship with other directors falling within a spousal relationship or second degree of kinship. 2. Is not the same person or spouse as the Chairman, General Manager, or someone with an equivalent position of the company or institution as a director, supervisor, or employee of another company or institution.	None
Director	Hao-Jun Chan	With his practical experience in strategic management and leadership competence in the food industry, Mr. Hao-Jun Chan has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. No relationship with other directors falling within a spousal relationship or second degree of kinship. 2. Is not the same person or spouse as the Chairman, General Manager, or someone with an equivalent position of the company or institution as a director, supervisor, or employee of another company or institution.	None

Director	Wei-Lung Liu	With his practical experience in strategic management and leadership competence in the food industry, Mr. Wei-Lung Liu has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman at Long Bon International Co., Ltd. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. No relationship with other directors falling within a spousal relationship or second degree of kinship. 3. Is not the same person or spouse as the Chairman, General Manager, or someone with an equivalent position of the company or institution as a director, supervisor, or employee of another company or institution.	None
Director	Tai-Sheng Han	With his practical experience in strategic management and leadership competence in the electronics industry, Mr. Tai-Sheng Han has accumulated extensive knowledge, capabilities, education and business management experience in the electronics industry necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman of Evga Corporation. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person or their spouses do not hold any shares of the company. 2. No relationship with other directors falling within a spousal relationship or second degree of kinship. 3. Is not the same person or spouse as the Chairman, General Manager, or someone with an equivalent position of the company or institution as a director, supervisor, or employee of another company or institution.	None
Independent Director	Min-Hsun Chen	Ms. Min-Hsun Chen holds an MBA from Peter F Drucker School of Management, California. She meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. Her financial management professionalism comes from serving as CEO at E United Group between September 2013 and September 2018. She also served as Chairman of China Development Financial Holding Corporation and Taipei Financial Center Corp. Current Chairman of Minli Investment Co., Ltd.	1. Her independence elements have been verified to meet the independence requirements listed on the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the FSC. 2. The Company's Articles of Incorporation sets forth that directors are elected by the adoption of the candidate nomination system. Upon nomination and selection of the board members, the Company has	None

Independent Director	Ming-Hui Li	Mr. Ming-Hui Li holds a master's degree of Stevens Institute of Technology, Master of Business Administration He meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. His financial management professionalism comes from serving as General Manager of Huan Nan Securities, Taiwan International Securities Co., Ltd., and MasterLink Securities Corporation between July 2000 and December 2021. Current Chairman of MasterLink Securities Corporation.	obtained a written statement, work experience and proof of current employment from each director for verification. 3. The independent director, their spouse, or relative within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates. It has been verified that during the 2 years prior to their election and during the term of their office, the 3 independent directors listed have met all qualification elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC and Article 14-2 of the Securities and Exchange Act. 4. The independent director or their spouses do not hold any shares of the company.	None

Note 1: For each director's positions now held concurrently in the Company and in other companies, please refer to P.22-23 of the annual report.

5. Board diversity policy, specific management objectives and implementation status:

(1) Policy for diversity of Board members:

Article 20 of the Company's "Corporate Governance Practices" stipulates:
The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

I. Basic requirements and values: Gender, age, nationality, and culture.

II. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

(I) Ability to make operational judgments.
(II) Ability to perform accounting and financial analysis.
(III) Ability to conduct management administration.
(IV) Ability to conduct crisis management.
(V) Knowledge of the industry.
(VI) An international market perspective.
(VII) Ability to lead.
(VIII) Ability to make policy decisions

(2) Specific management objective:

The specific management objectives for the diversity policy and achievement are as follows:

Management objectives	Achievement
The seats of independent directors reached one-third of the seats of directors	Achieved
Directors who also concurrently serve as company general directors are advised to not exceed one-third of the seats of directors	Achieved
More than one female director	Achieved
Both general directors and independent directors have served less than 3 terms	Achieved
Adequate and diverse professional knowledge and skills	Achieved

(3) Implementation status:

For implementing diversity for the composition of the Board, the 22nd BOD consisted of 5 directors and 2 independent directors for a total of 7 seats (independent directors accounted for 37.5% of total board members). Among them, 5 were male, accounting for 71%, and 2 were female, accounting for 29%, directors who also concurrently serve as company general directors, accounting for 25%. The members of the Board of Directors have professional backgrounds in law, industry, finance and accounting, marketing, and technology, and have the skills in business management, leadership decision-making, operational judgment and crisis management, accounting and financial analysis, industry knowledge, and international market outlook. We demonstrate the effectiveness of diversity and complementarity in order to protect the rights and interests of shareholders and properly observe and practice corporate governance. The term of each board of directors is 3 years,

and a candidate nomination system is adopted.

(4) Succession planning for members of the Board of Directors and key management personnel:

In order to establish a sound governance system, the Company implements the policy of diversity of the Board members in accordance with the "Corporate Governance Best Practice Principles" and conducts a "Board Performance Evaluation" every year. The evaluation results will be used as a reference for the nomination of directors for reappointment in the future. In terms of independence, more than half of the Company's directors are not spouses or relatives within the second degree of kinship. To ensure that employees have the necessary knowledge, skills, and competencies to perform their duties, the HR unit arranges board members and senior managers to undergo continuing education on a regular basis every year. The selection process of the Company's director candidate list complies with the qualification review and related regulations to ensure that suitable new director candidates can be effectively identified and elected when there is a vacancy in the number of directors or planning to increase the number of directors.

(4) The implementation status of related diversity policies is as follows:

Diversified items / Director's name	Country of citizenship	Gender	Age			Independent Director	Professional Background (Education)	Core items for diversity (top 5 items)								
			41 to 50	51 to 60	61 to 70			Accounting	Legal affairs	Environmental protection	Finance	Management	Leadership decision making	Industry knowledge	Crisis management	International market views
Ching-Chao Chan	Republic of China	Male		●			Utah State University, Master Degree					●	●	●	●	●
No-Hua Chen	Republic of China	Female	●				Department of Law, National Taipei University		●			●	●		●	●
Hao-Jun Chan	Republic of China	Male	●				University of British Columbia, Canada, Bachelor Degree,					●	●	●	●	●
Wei-Lung Liu	Republic of China	Male		●			College of Law, National Taiwan University		●			●	●		●	●
Tai-Sheng Han	Republic of China	Male		●			Tamkang University Department of Physics				●	●	●		●	●
Min-Hsun Chen	Republic of China	Female		●		●	MBA, Drucker School of Management Claremont Graduate University, USA B.S., Business (Financial Management), University of Southern California				●	●	●		●	●
Ming-Hui Li	Republic of China	Male			●	●	Stevens Institute of Technology, Master of Business Administration				●	●	●		●	●

(II) Information on the General Manager, Vice General Manager, associate managers, supervisors of various departments and branches

Information date: March 31, 2023

Job title	Country of citizenship	Name	Gender	Election (inauguration) date	Shares held		Shares held by spouse and minor children		Shares held in the names of others		Principal experience (education) (Note 1)	Other concurrent service currently Position in the Company	Spouse or relatives within the second degree of kinship or closer acting as managers			Remarks (Note 2)
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Cheng-Ta Tsai	Male	2021/12/16	0	0	0	0	0	0	Graduate Institute of Economics, Fu Jen Catholic University Golden Agri Resources (Tianjin) Company General Manager	None	None	None	None	None
Vice General Manager	Republic of China	Max Lei	Male	2013/11/08	0	0.06%	0	0	0	0	Department of Finance, National Taiwan University General Manager of the Taiwan Bifido Special assistance	Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	None	None	None	None
Accounting Supervisor	Republic of China	Kai-Tse Hsiao	Male	2022/01/25	1,680	0.00%	0	0	0	0	National Sun Yat-sen University Department of Financial Management	None	None	None	None	None
Audit Supervisor	Republic of China	Hsin-Hsiang Hsu	Male	2023/03/31	0	0	0	0	0	0	Dayeh University Department of Information Management	None	None	None	None	None
Corporate Governance Manager	Republic of China	Gu-Long Yan	Male	2023/03/31	65,646	0.01%	0	0	0	0	Department of Statistics, National Cheng Kung University	None	None	None	None	None

Note 1: Key managers who have worked in the CPAs' firm or affiliated companies: None.

Note 2: Mr. Wei-Chen Liu, Head of Corporate Governance, was dismissed on March 17, 2023, and Mr. Ku-Lung Yan is the new Head of Corporate Governance from March 31, 2023.

(III) If the chairman and general manager or an equivalent position is served by the same person or if they are spouses or relatives of one another: None.

III. Remuneration paid to directors, supervisors, general manager and vice general manager(s) in the most recent year

(I) Remuneration to directors and independent directors

Information date: December 31 2022; Unit: NTD thousand

Job title	Name	Directors' remuneration								Sum of A, B, C, and D and their percentage in net income after tax (Note 10)		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G and as percentage of net income after tax (Note 10)		Remuneration received from investee companies outside of subsidiaries or from the parent company. (Note11)
		Remuneration (A) (Note 2)		Pension upon retirement (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Wages, bonuses, and special allowances, etc. (E) (Note 5)		Pension upon retirement (F)		Employee remuneration (G) (Note 6)						
																The Company		Companies included into the financial statements (Note 7)				
		The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies included into the financial statements (Note 7)	
Chairman	Jing Xun Investment Industrial Corporation Limited	0	0	0	0	33,772	33,772	0	0	33,772 0.57%	33,772 0.57%	0	0	0	0	0	0	0	0	33,772 0.57%	33,772 0.57%	None
	Representative: Ching-Chao Chan	0	0	0	0	0	0	600	624	600 0.01%	624 0.01%	8,837	12,121	0	0	10,000	0	12,000	0	19,437 0.33%	22,745 0.38%	None
Vice chairman	Shen Yang Investment Corporation Limited	0	0	0	0	98,684	98,684	1,753	1,801	100,437 1.697%	100,485 1.698%	11,551	15,654	0	0	9,000	0	8,000	0	120,988 2.04%	125,139 2.11%	None
	Representative: Yi-Houg Chan																					
Director	Hongqiang Co., Ltd.																					
	Representative: Hao-Jun Chan																					
Director	Huang-Qiao-Lin Business Co., Ltd.																					
	Representative: Chang-Chung Yin																					
Director	Long Bon International Industrial Co., Ltd.	0	0	0	0	33,772	33,772	0	0	33,772 0,57%	33,772 0.57%	0	0	0	0	0	0	0	0	33,772 0,57%	33,772 0.57%	None
	Representative: Wei-Lung Liu	0	0	0	0	0	0	600	600	600 0.01%	600 0.01%	0	0	0	0	0	0	0	0	600 0.01%	600 0.01%	None
Director	Long Bon International Industrial Co., Ltd.	0	0	0	0	33,772	33,772	0	0	33,772 0,57%	33,772 0.57%	0	0	0	0	0	0	0	0	33,772 0,57%	33,772 0.57%	None
	Representative: Tai-Sheng Han	0	0	0	0	0	0	600	600	600 0.01%	600 0.01%	0	0	0	0	0	0	0	0	600 0.01%	600 0.01%	None

Job title	Name	Directors' remuneration								Sum of A, B, C, and D and their percentage in net income after tax (Note 10)		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G and as percentage of net income after tax (Note 10)		Remuneration received from investee companies outside of subsidiaries or from the parent company. (Note11)
		Remuneration (A) (Note 2)		Pension upon retirement (B)		Remuneration to directors (C) (Note 3)		Business execution expenses (D) (Note 4)				Wages, bonuses, and special allowances, etc. (E) (Note 5)		Pension upon retirement (F)		Employee remuneration (G) (Note 6)						
																The Company		Companies included into the financial statements (Note 7)				
		The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	The Company	Companies included into the financial statements (Note 7)	Cash amount	Stock amount	Cash amount	Stock amount	The Company	Companies included into the financial statements (Note 7)	
Independent Director	Min-Hsun Chen	3,542	3,542	0	0	0	0	325	325	3,867 0.07 %	3,867 0.07 %	0	0	0	0	0	0	0	0	3,867 0.07 %	3,867 0.07 %	None
Independent Director	Ming-Hui Li																					
Independent Director	Ying-Ta Tu																					

1. Please state the policies, systems, standards, and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration to the Company's independent directors is reviewed and recommended by the Compensation Committee. It then is submitted to the Board of Directors for resolution. The independent directors only receive monthly fixed remuneration and traveling expenses for attending meetings. The independent directors do not participate in the remuneration distribution of the Company's profits.
2. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees to an investment business): None.
3. Director Huang-Qiao-Lin Enterprise Co., Ltd. and representative Yin Chang-Chung was resignation on 2022/12/02

(1-1) Director's remuneration scale

Remuneration to each director of the Company	Director's name			
	The sum total of the above four items (A+B+C+D)		The sum total of the above seven items (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the financial reports (Note 9) H	The Company (Note 8)	All companies in the financial reports (Note 9) I
Below NTD 1,000,000	Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Chan Hao-Jun(representative of Hongqiang Co., Ltd.) , Huang-Qiao-Lin Co., Ltd., Yin ChangChung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.) Chan Yi-Houg (Representative of Shen Yang Investment Corporation Limited)	Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited), Chan Hao-Jun(representative of Hongqiang Co., Ltd.) , Huang-Qiao-Lin Co., Ltd., Yin ChangChung (representative of Huang-Qiao-Lin Co., Ltd.), Long Bon International Industrial Co., Ltd., Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.) Chan Yi-Houg (Representative of Shen Yang Investment Corporation Limited)	Yin ChangChung (representative of Huang-Qiao-Lin Co., Ltd.)), Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)	Yin ChangChung (representative of Huang-Qiao-Lin Co., Ltd.)), Liu Wei-Lung (representative of Long Bon International Industrial Co., Ltd.), Han Tai-Sheng (representative of Long Bon International Industrial Co., Ltd.)
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	Chen Min-Hsun, Li Ming-Hui, Tu YingTa -	Chen Min-Hsun, Li Ming-Hui, Tu YingTa -	Chen Min-Hsun, Li Ming-Hui, Tu YingTa -	Chen Min-Hsun, Li Ming-Hui, Tu YingTa -
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	-—	-—	—	—
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	—	—	—	—
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	—	—	—	—
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	—	—	Chan Yi-Houg (Representative of Shen Yang Investment Corporation Limited) Chan Hao-Jun(representative of Hongqiang Co., Ltd.)-	Chan Yi-Houg (Representative of Shen Yang Investment Corporation Limited) Chan Hao-Jun(representative of Hongqiang Co., Ltd.)-
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	—	—	Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited)-	Chan Ching-Chao (representative of Jing Xun Investment Industrial Corporation Limited)-
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-Huang-Qiao-Lin Co., Ltd. ,Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Hongqiang Co., Ltd.	--Huang-Qiao-Lin Co., Ltd. ,Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Hongqiang Co., Ltd.	-Huang-Qiao-Lin Co., Ltd. ,Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Hongqiang Co., Ltd.	--Huang-Qiao-Lin Co., Ltd. ,Jing Xun Investment Industrial Corporation Limited, Shen Yang Investment Corporation Limited, Hongqiang Co., Ltd.
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	Long Bon International Industrial Co., Ltd. -	Long Bon International Industrial Co., Ltd. -	Long Bon International Industrial Co., Ltd. -	Long Bon International Industrial Co., Ltd. -
NTD 100,000,000 and higher	-	-	-	-
Total	19	19	19	19

Note 1: The names of directors should be listed separately (corporate shareholder names and representatives should be listed separately). The ordinary directors and independent directors are to be listed separately, and the payment amounts are to be disclosed in a summary manner. If a director is concurrently the general manager or vice general manager, fill in this form and the following table (3-1), or the following table (3-2-1) and (3-2-2).

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salary, job bonus, severance payment, various bonuses, incentives, etc.).

Note 3: This is the amount of directors' remuneration approved by the Board of Directors in the most recent year.

Note 4: Refers to a director's relevant business execution expenses in the most recent year (including carriage fees, special expenses, various allowances, dormitories, car allocation, etc.). When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. The Company provided Chan Ching-Chao and Chan Yi-Houg with car, and the related costs totaled NTD 1,821 thousand

Note 5: Refers to the salary received by concurrent directors (including concurrent general manager, vice general manager, other managers and employees) in the most recent year, including salary, job bonus, severance payment, various awards, incentive payments, transportation fees, special expenses, various allowances, dormitories, car distribution, etc. are provided in kind. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the Company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 "shares-based payment", including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection

subscription shares, should also be included in remuneration.

Note 6: Refers to those who have received employee remuneration (including stocks and cash) for concurrent directors (including concurrently serving as general manager, vice general manager, other managers and employees) in the most recent year. The amount of employee remuneration approved by the Board of Directors in the most recent year shall be disclosed. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled in.

Note 7: The total amount of remuneration paid to the directors of the Company by all companies (including the Company) in the consolidated report should be disclosed.

Note 8: The Company pays the total amount of remuneration to each director, and reveals the name of the director in the attribution level.

Note 9: The total amount of remuneration paid to each director of the Company by all companies (including the Company) in the consolidated report should be disclosed, and the names of the directors should be disclosed in the attribution level.

Note 10: Net income after tax refers to the net income after tax in the most recent year. For those who have adopted International Financial Reporting Standards, the net income after tax refers to the net income after tax of the individual or individual financial report in the most recent year.

Note 11:
a. This column should clearly indicate the amount of relevant remuneration received by the directors of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).
b. If the directors of the Company receive relevant remuneration from the out-of-subsidiary investment business or the parent company, they shall transfer the remuneration received by the Company directors to the out-of-subsidiary investment business or the parent company. Incorporate it into the I column of the remuneration grading table and change the name of the column to “Parent Company and All Reinvested Enterprises”.
c. Remuneration refers to the remuneration, remuneration (including remuneration of employees, directors and supervisors) and business execution expenses received by the directors of the Company as directors, supervisors or managers of non-subsidiary investment enterprises or parent company remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(II) Supervisor's remuneration: Not applicable

(III) Remuneration of the general manager and vice general managers

Information date: December 31 2022; Unit: NTD thousand

Job title	Name	Salary (A) (Note 2)		Pension upon retirement (B)		Bonus and special expense account, etc. (C) (Note 3)		Remuneration to employees (D) (Note 4)				Sum of A, B, C, and D and their percentage in net income after tax (Note 8)		Remuneration received from investee companies outside of subsidiaries or from the parent company. (Note 9)
		The Company	Companies included into the financial statements (Note 5)	The Company	Companies included into the financial statements (Note 5)	The Company	Companies included into the financial statements (Note 5)	The Company		Companies included into the financial statements (Note 5)		The Company	Companies included into the financial statements (Note 5)	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Cheng-Ta Tsai	7,704	7,704	0	0	3,469	3,469	6,500	0	6,500	0	17,673 0.30%	17,673 0.30%	None
Vice General Manager	Max Lei													

(3-1) Remuneration scale for general manager and vice general manager

Remuneration levels of the general manager and vice general managers of the company	Names of general manager and vice general managers	
	The Company (Note 7)	All companies in the financial report (Note 8) E
Below NTD 1,000,000	-	-
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	-	-
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	-	-
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	-	-
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)	Max Lei	Max Lei
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)	Cheng-Ta Tsai	Cheng-Ta Tsai
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)	-	-
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)	-	-
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)	-	-
NTD 100,000,000 and higher	-	-
Total	2	2

Note 1: The names of the general manager and vice general managers should be listed separately, and the payment amounts should be disclosed in a summary manner. If a director is concurrently the general manager or vice general manager, please fill in this form and the above form (1-1), or (1-2-1) and (1-2-2).

Note 2: It is to fill in the salary of the general manager and vice general managers in the most recent year, post bonus, and severance payment.

Note 3: The amount of various bonuses, incentives, transportation fees, special expenses, various allowances, dormitories, car allocation, and other remunerations provided to the general manager and vice general managers in the most recent year are listed. When providing housing, cars and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or fair market price rent, fuel and other payments should be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. Also, salary expenses recognized in accordance with IFRS2 “shares-based payment”, including obtaining employee stock options, restricting employee rights, new shares, and participating in capital injection subscription shares, should also be included in remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the Board of Directors for distribution to the general manager and vice general managers in the most recent year. If it is not possible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution amount last year, and the attached table 1-3 shall be filled in. Net income after tax refers to the net income after tax in the most recent year. For those who have adopted the International Financial Reporting Standards, the net income after tax is the net income after tax of the parent company only financial reports or individual financial reports in the most recent year.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the general manager and vice general managers of the Company in the consolidated report should be disclosed.

Note 6: The Company pays the total amount of remuneration to each general manager and vice general manager, and reveals the names of the general manager and vice general managers in the attribution level.

Note 7: The total amount of remuneration paid to each general manager and vice general manager of the Company by all companies (including the Company) in the consolidated report shall be disclosed, and the names of the general manager and vice general managers shall be disclosed in the attribution level.

Note 8: Net income after tax refers to the net income after tax in the most recent year. For those who have adopted the International Financial Reporting Standards, the net income after tax refers to the net income after tax of the parent company only financial reports or individual financial reports in the most recent year.

Note 9: a. This column should clearly state the amount of relevant remuneration received by the general manager and vice general managers of the Company from the subsidiary company or the parent company. (If there is none, please fill in “None”).

b. If the general manager and vice general managers of the Company receive relevant remuneration from the subsidiary company or the parent company, the general manager and vice general managers of the Company shall transfer the remuneration received from the subsidiary company or the parent company. Incorporate it into column E of the remuneration scale table and change the column name to “Parent Company and All Reinvested Businesses”.

c. Remuneration refers to the when a general manager or vice general manager of the Company serves as a director, supervisor, or manager of reinvested businesses or parent companies, etc. other than a subsidiary and in that position receives remuneration or rewards (including remuneration for employees, directors and supervisors) and payments related to business execution expenses.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure and not for taxation.

(IV) Remuneration of the top five highest paid executives: Not applicable

(V) The name of the manager who distributes employee remuneration and the distribution status

December 31 2022

	Job title (Note 1)	Name (Note 1)	Stock amount	Cash amount (NTD thousand)	Total (NTD thousand)	Proportion of total amount to net income after tax (%)
Manager	General Manager	Cheng-Ta Tsai	0	6,500	6,500	0.11%
	Vice General Manager	Max Lei				

Note: The distribution of compensation for managers and employees has been approved by the Compensation Committee, but has not yet been approved by the Board of Directors.

(VI) Analysis of the total remuneration paid to the directors, supervisors, general manager and vice general managers of the Company in the last two years by the Company and all companies in the consolidated financial statements as a percentage of the net income after tax of parent company only financial reports or individual financial reports; and explain the payment remuneration policies, standards and combinations, procedures for determining remuneration, and their correlation with business performance and future risks:

(1) The total remuneration paid to the directors, supervisors, general managers and vice general managers of the Company in the last two years accounts for the percentage of net income after tax of parent company only financial reports or individual financial reports:

Year	The Company		All companies in the consolidated statements	
	2021	2022	2021	2022
Total remuneration	NTD 61,774 thousand	NTD 243,982 thousand	NTD 69,399 thousand	NTD251,440 thousand
Percentage of net profit after tax	10.43%	4.47%	11.73%	4.59%

Note: The 2021 parent-only net income after tax is calculated at NTD 591,827 thousand; 2022 parent-only net income after tax is calculated at NTD 5,918,495 thousand.

(2) The remuneration policies, standards and combinations, the procedures for setting remuneration, and the relevance to business performance and future risks:

1. The remuneration of the directors of the Company is drafted in accordance with Article 19-1 of the Company's Articles of Incorporation. The Chairman and directors of the Company are remunerated when performing their duties in the Company. The Board of Directors is authorized to consider the recommendations on the Company's Compensation Committee and follow the Chairman and the extent of individual directors' participation in the Company's operations and the value of their contributions agreed upon according to the industry's usual standards. In addition, if the Company has made a profit in the current year, according to the Company's Articles of Incorporation, less than 5% is allocated as directors' remuneration. The actual allocation ratio will be reviewed by the remuneration and will be submitted to the Board of Directors for a resolution. As for independent directors, their monthly fixed remuneration is determined by the Board of Directors, and they receive a fee for attending each board meeting; they do not participate in the distribution of remuneration when the Company makes a profit.
2. The remuneration to the Company's general manager, vice general manager and equivalent positions includes salary and bonus. The salary is determined based on industry standards, job title, rank, education, professional capabilities and responsibilities. The bonus is determined based on the performance evaluation of managers. The performance evaluation includes financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) as well as non-financial indicators (such as significant deficiencies in legal compliance and operational risks of their departments). The remuneration and bonus are approved in accordance with their contribution to the Company's overall operation, which are submitted to the Compensation Committee for review.
3. Employee remuneration policy, on the other hand is based on each employee's capabilities, contribution to the Company, performance, the market value of the employee's job position while taking into account the Company's future operational risks and business performances. There is no discrimination in the employee's age, gender, race, religion, political preference, marital status, or union. If the Company makes a profit in the current year, no less than 2% shall be allocated as employee remuneration in accordance with the Company's Articles of Incorporation. All employees who have served for two years can apply to join a shareholding trust. The overall remuneration to employees primarily consist of 3 components: basic fixed salary, bonus and benefits. The payment standards: basic fixed salary is determined based on the market rate of the position held by the employee; bonus is paid in connection with achievement of the employee and the Company's business performance, and annual recognition is given to the team or individuals with outstanding results; and the design of benefits for the employee to enjoy is based on the regulations of the law as well as the employee's needs.

IV. Corporate governance operations

(I) Information on the operation of the Board of Directors

The Board of Directors met **11** times during **2022** and up to the date of publication of the annual report (A). The attendance of directors and supervisors is as follows:

Term	Job title	Name	Actual number of seats (B)	Number of delegates attending	Actual attendance rate (%) 【B/A】	Remarks
22nd term	Chairman	Representative of Jing Xun Investment Industrial Corporation Limited: Ching-Chao Chan	11	0	100%	
	Director	Shen Yang Investment Corporation Limited Representative: Yi-Houg Chan	8	1	88%	Released on January 17, 2023
	Director	Shen Yang Investment Corporation Limited Representative: No-Hua Chen	3	0	100%	Assumed office on January 17, 2023
	Director	Hongqiang Co., Ltd. Representative: Hao-Jun Chan	11	0	100%	
	Director	Huang-Qiao-Lin Business Co., Ltd. Representative: Chang-Chung Yin	7	0	100%	Resigned on December 2, 2022
	Director	Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	11	0	100%	
	Director	Representative of Long Bon International Co., Ltd.: Han Tai-Sheng	11	0	100%	
	Independent Director	Chen Min-Hsun	11	0	100%	
	Independent Director	Li Ming-Hui	11	0	100%	
	Independent Director	Tu Ying-Ta	10	0	100%	Resigned on May 4, 2023

Other matters to be recorded:

I. If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of proposals, the opinions of all independent directors and how the Company deals with such opinions:
   (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company set up independent directors and established an Audit Committee on April 25, 2016.
   In 2022 and up until May 10, 2023, a total of 11 Board meetings were held. The resolutions are detailed on pages 96~98 of the annual report. All independent director passed all motions without objecting to the matters listed in Article 14-3 of the Securities and Exchange Act.
   (II) In addition to the previous matters, other board meeting decisions that have been opposed or faced reservations by independent directors and have records or written statements: None.

II. Recusal of the Directors from motions involving their private interest, specify the names of the Directors, the content of the motions, the reason for recusal, and the participation in voting:
   Please refer to Note 1 on Page 44 of this annual report.

III. TWSE / TPEx Listed Companies should disclose the evaluation cycle and period, assessment scope, method and evaluation content of the board's self (or peer) evaluation: Please refer to Note 2 on page 44 of the annual report.

IV. The objective for fortifying the function of the Board in the current year and the most recent year (e.g., setting up an audit committee, improving information transparency, etc.) and the assessment of the status of implementation:
   (I) The Company established an audit committee on April 25, 2016.
   (II) In 2022 and as of the printing date of the annual report, and in accordance with the Company Act, Article 14-3 of Securities and Exchange Act, Article 14-5, etc., the Company's proposals shall be submitted to the audit committee for approval or the resolution of the Board of Directors. After the approval of the audit committee, it is sent to the Board of Directors for resolution and implementation. (It is not necessary to submit the

proposal approved by the audit committee first, and then directly submit the resolution to the Board of Directors for implementation.)

(III) In line with the competent authority's promotion of the new corporate governance roadmap to effectively perform the functions of the Board of Directors, the 21st and 22nd of the Company's Board meeting held on March 8, 2021 resolved the motion for setting up a dedicated corporate governance unit and recommendations for a manager. Mr. Gu-Long Yan from Financial Division was appointed to serve as the corporate governance manager.

(IV) Enhance information transparency

1. Since January 1, 2021, the Company has released all material information announcements in English.
2. Since 2021, the Company uploaded its English annual financial report 16 days before the annual general meeting of shareholders.
3. Since 2021, the Company discloses its English interim financial report within 2 months after the filing of its Chinese interim financial report is due.

Note 1: Recusal of the Directors from motions involving their private interest, specify the names of the Directors, the content of the motions, the reason for recusal, and the participation in voting:

(I) The 3rd meeting of the 22nd Board on 2022/02/25

1. Motion for the remuneration to independent directors of the 22nd Board: The Company's 3 independent directors (Min-Hsun Chen, Ming-Hui Li, Ying-Ta Tu) recused themselves from discussion and resolution of the motion due to a conflict of interest. After consulting with the directors present at the meeting by the chair, the motion was passed.
2. Motion for the remuneration members of the 5th Compensation Committee: The Company's 3 members of the Compensation Committee (Min-Hsun Chen, Ming-Hui Li, Ying-Ta Tu) recused themselves from discussion and resolution of the motion due to a conflict of interest. After consulting with the directors present at the meeting by the chair, the motion was passed.
3. Motion for the remuneration to the members of the 22nd Board: As there was a conflict of interest involved with Chairman Ching-Chao Chan, Min-Hsun Chen acted as the chair. In terms of remuneration to the directors, general directors (Ching-Chao Chan, Yi-Houg Chan, Hao-Jun Chan, Chang-Chung Yin, Wei-Lung Liu, Tai-Sheng Han) present at the meeting recused themselves from discussion and voting due to a conflict of interest. After consulting with the directors present at the meeting by the acting chair, the motion was passed.
   In terms of remuneration to the chairman, after the acting chair Min-Hsun Chen consulted with directors present at the meeting (due to a conflict of interest, Ching-Chao Chan recused himself from discussion and resolution of the motion), and the motion was passed.
   In terms of remuneration to the vice chairman, after the acting chair Min-Hsun Chen consulted with directors present at the meeting (due to a conflict of interest, Yi-Houg Chan recused himself from discussion and resolution of the motion), and the motion was passed.

(II) The 5th meeting of the 22nd Board was held on 2022/05/10; for the motion of the distribution of remuneration to directors for 2021 recommended by the Compensation Committee.

1. As the remuneration to directors involved a conflict of interest, the Chairman Ching-Chao Chan recused himself and the independent director Min-Hsun Chen acted as the chair. Regarding the remuneration of directors, the ordinary directors (Ching-Chao Chan, Yi-Houg Chan, Hao-Jun Chan, Chang-Chung Yi, Wei-Lung Liu, Tai-Sheng Han) who attended this time did not participate in the discussion or vote due to their interests. After consulting with the acting chair, the motion was passed with no objection.
2. Motion recommended by the Compensation Committee for the distribution of remuneration to the appointed managers for 2021.
   General Manager Cheng-Ta Tsai recused himself from discussion and voting due to a conflict of interest. After consulting with the Chairman, the motion was passed with no objection.

(III) The 22nd meeting of the 9th Board was held on 2022/12/23 for the motion of the year-end bonus to the appointed managers for 2022.
General Manager Cheng-Ta Tsai recused himself from discussion and voting due to a conflict of interest. After consulting with the Chairman, the motion was passed with no objection.

(IV) The 12th and 13th meeting of the 22nd Board was held on 2023/05/05; Motion for the remuneration to the members of the 22nd Board 2022: As there was a conflict of interest involved with Chairman Chan Ching-Chao, Li Ming-Hui acted as the chairman. In terms of remuneration to the directors, general directors (Chan Ching-Chao, Chan Hao-Jun, Chen No-Hua) present at the meeting recused themselves from discussion and voting due to a conflict of interest. After consulting with the directors present at the meeting by the acting chair, the motion was passed. (Liu Wei-Lung, Han Tai-Sheng did not attend this case)

Note 2: The implementation of the evaluation by the Board of Directors:

Evaluation cycle	Evaluation period (Note 3)	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Once a year	2022/01/01 - 2022/12/31	1. Board of Directors 2. Board members 3. Functional committees (including the Audit Committee and Compensation Committee)	Internal self-evaluation	(1) Board of Directors: Participation in the operation of the company; Improvement of the quality of the board of directors' decision making; Composition and structure of the board of directors; Election and continuing education of the directors; and Internal control. (2) Board members: Alignment of the goals and missions of the company; Awareness of the duties of a director; Participation in the operation of the company; Management of internal relationship and communication; The director's professionalism and continuing education; and Internal control. (3) Functional committees: Participation in the operation of the company; Awareness of the duties of the functional committee; Improvement of quality of decisions made by the functional committee; Makeup and structure of the functional committee; and Internal control.	(1) Overall evaluation results: In order to strengthen the effectiveness of corporate governance, all operations are regulated in accordance with relevant laws and regulations. This year, the internal self-assessment results of the board of directors and directors were "in line with the standard", and the internal self-evaluation of the audit committee and the remuneration committee was "better than the standard", showing that the board of directors still has room for improvement. (2) The organizer will seek assistance and guidance from external professional institutions in accordance with the performance evaluation method of the board of directors of the company, so as to improve the operation of the board of directors and improve the performance evaluation work. (3) The evaluation results have been submitted to the Board of Directors on March 31, 2023.

Note 1: The Board of Directors of the Company passed the “Board Performance Evaluation Methods” on February 27, 2020, stipulating that the Board of Directors shall perform internal evaluations at least once a year with regard to the performance evaluation of the Board of Directors, directors, audit committee and Compensation Committee. The internal performance evaluation results shall be completed before the end of the first quarter of the following year.

Note 2: The evaluation execution method and evaluation execution is the responsibility of the Agenda Working Group. Using internal questionnaires focusing on directors’ evaluation of the operation of the Board of Directors, directors’ evaluation of their own participation, the Audit Committee’s evaluation of committee operations, and the Compensation Committee’s evaluation of committee operation. The Company’s Agenda Working Group will analyze the previous measures, report the results to the Board of Directors, and propose ways to strengthen and improve the director’s suggestions.

(II) The annual work focus of the audit committee:

The audit committee aims to assist the Board of Directors in fulfilling its supervisory duties on the effectiveness of the internal monitoring mechanism, and is responsible for the tasks entrusted to it by the Company Act, the Securities and Exchange Act and other relevant laws and regulations, and for implementing the quality and integrity of accounting, auditing, financial reporting processes, and financial control. Since 2016, the Company's Audit Committee is made of all three independent directors, and a committee meeting is held at least once a quarter.

1. The audit committee's powers and considerations mainly include:

(1) Establishing or amending the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.

(2) Evaluation of the effectiveness of the internal control system.

(3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, to stipulate or amend the procedures for acquiring or disposing of assets, engaging in derivatives transactions, making loans to others, endorsing or providing guarantees for others, and procedure for major financial operations.

(4) Matters involving directors' own matters of interest.

(5) Transactions of major assets or derivatives.

(6) Significant capital loans, endorsements, or guarantees.

(7) Raising, issuing, or private placement of equity securities.

(8) Appointment, dismissal, or remuneration of certified public accountants.

(9) Assessment of qualifications and independence of certified public accountants.

(9) Appointment and removal of financial, accounting, or internal audit supervisors.

(10) Financial reports for Q1, Q2 and Q3 and the annual financial reports signed or sealed by the Chairman, managers and Accounting Supervisor.

(11) Self-evaluation questionnaires for audit committee performance evaluations.

(12) Other important matters specified by the Company or the competent authority.

Reviews of financial reports

The Board of Directors prepared the Company's 2022 annual business report, financial statements, and earnings distribution proposals, among which the financial statements were verified by KPMG Taiwan certified public accountants, and a verification report was issued. The above-mentioned business reports, financial statements, and profit distribution proposal have been checked by the audit committee and it was found that there are no discrepancies.

Assess the effectiveness of the internal control system

The audit committee evaluates the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, compliance with laws and regulations). Furthermore, it reviews the Company's audit department, certified accountants, and management's regular reports and compliance with laws and regulations. The Audit Committee suggests that the Company's risk management and internal control system are effective and that the Company has adopted necessary control mechanisms to monitor and address violations.

Appointment of a certified public accountant

The audit committee is assigned the responsibility of supervising the independence of the certified public accounting firm to ensure the fairness of the financial statements.

In order to ensure the independence of the certified public accountant firm, the Audit Committee has

developed an independence evaluation form in accordance with Article 47 of the Certified Public Accountant Act and Bulletin No.10 of the Code of Professional Ethics for Accountants. Regarding the independence, professionalism, and competence of accountants, it assesses whether they are related parties, or have mutual business or financial interests with the Company. Both The Audit Committee and the Board of Directors have on March 31, 2023 approved accountants Tseng, Kuo-Yang and Huang, Hsin-Ting of KPMG Taiwan as meeting the independence assessment standards and qualified to serve as accountants for the Company's financial and tax matters.

2. Information on the operations of the audit committee:

In 2022 and as of the printing date of the annual report, the audit committee met 8 times (A), and the attendance of independent directors is as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
3rd term	Independent Director	Min-Hsun Chen	10	0	100%	
	Independent Director	Ming-Hui Li	10	0	100%	
	Independent Director	Ying-Ta Tu	9	0	100%	Resigned on May 4, 2023

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations on independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.
   (I) Matters listed in Article 14-5 of the Securities and Exchange Act:
   In 2022 and as of the publication date of the annual report, a total of 10 audit committee meetings were held. The resolutions are detailed on page 48 of the annual report. The audit committee passed without objection the matters listed in Article 14-5 of the Securities and Exchange Act.
   (II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than two-third of the Directors: None.

II. For avoidance of conflict of interest by independent directors, the name of independent directors, details of proposals, reasons for avoidance and voting results shall be stated: None.

III. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered):
   1. In accordance with the 2022 audit plan approved by the Board of Directors, the Company prepares monthly "audit reports" and submits them to each audit committee for review, which has been completed on a monthly basis. It also follows the Regulations Governing Establishment of Internal Control Systems by Public Companies. After the audit report and tracking report are reviewed, they are delivered or notified to independent directors for review, and the audit conclusions and various declaration materials are provided for reference.
   2. Each audit report must track its internal control deficiencies and the improvement of abnormal matters, and make a quarterly tracking report and submit it to each audit committee member.
   3. The head of internal audit attends meetings of the audit committee and Board of Directors on a quarterly basis to report on the audit operations, and communicates with independent directors. The audit operations are also reported to the Board of Directors.
   4. The communication between independent directors and the head of internal audit in 2021 is summarized as follows:

Date	Communication meeting	Communication matters	Communicate results
2022/03/25	Audit Committee	Tracking report of the audit results for Q4 2021 Review of the internal control self-assessment results	No comments at this meeting Reported to the board of directors for resolution
2022/12/26	Audit Committee	2023 audit plan	No comments at this meeting Reported to the board of directors for resolution

2023/03/31	Audit Committee	Motion for the review of the Company's internal control self-evaluation results	No comments at this meeting Reported to the board of directors for resolution
112/05/05	Audit Committee	2022 Annual Investment Cycle Internal Control System Project Review Case	This case was approved by more than half of all members of the Audit Committee Submit the resolution of the board of directors

5. The Company submits the results of financial statements reviewed or audited by the CPAs to the Audit Committee and arranges for communication between the CPAs and independent directors at least once a year. The communication between independent directors and accountants is summarized as follows:

Date	Communication matters	Communicate results
2022/12/29	1. Non-assurance matters 2. Key audit items 3. Other matters	No comments at this meeting

3. Important resolutions of the audit committee in 2022 and as of the printing date of the annual report:

Audit Committee	Proposal content	Resolution result	The Company's handling of the audit committee's opinions
2022/01/25 The 2nd meeting of the 3rd Committee	1. Motion to report the change of head of accounting	After consultation by the Chairman, all members present passed it without objection.	Submitted to the Company's Board of Directors for resolution
2022/03/25 The 3nd meeting of the 3rd Committee	1. Tracking report of the audit results for the Q4 2021 2. Report of 2021 annual CPA independence and competency evaluation 3. Motion for the review of the Company's 2021 business report and financial statements 4. Motion for the Company's 2021 profit distribution table 5. Motion for the review of the Company's internal control self-evaluation results 6. Motion for the amendment to the Company's Procedures of the Acquisition or Disposal of Assets	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2022/05/10 The 4th meeting of the 3rd Committee	1. Review of the 2022 first quarter financial statements 2. Discussion of 2022 first quarter earnings appropriation	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2022/08/11 The 5th meeting of the 3rd Committee	1. Review of the 2022 second quarter financial statements 2. Discussion of 2022 second quarter earnings appropriation	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2022/11/10 The 6th meeting of the 3rd Committee	1. Review of the 2022 third quarter financial statements 2. Discussion of 2022 third quarter earnings appropriation 3. Passed the motion for the motion for the Taisun Enterprise (Zhangzhou) Foods application fund loan amount	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2022/12/02 The 7th meeting of the 3rd Committee	1. Review of the disposal of the Company's investment in securities	The proposal was passed after the chairperson consulted the attending members, and member Ying-Ta Tu expressed dissenting opinion and committee members Min-Hsun Chen and Ming-Hui Li agreed (provided that the board of directors shall discuss the authorization of resolution: duration, quantity, and lower limit of the transaction price per share).	Submitted to the Company's Board of Directors for resolution

2022/12/23 The 8th meeting of the 3rd Committee	1. Motion for the Company's 2023 audit plan.	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2023/3/31 The 9th meeting of the 3rd Committee	1. Tracking report of the audit results for Q4 2022 2. Approved the convener of the company's audit committee and the chairman of the meeting 3. Motion for the review of the Company's 2022 business report and financial statements 4. The resolution passed the change of audit supervisor 5. Motion for the review of the Company's internal control self-evaluation results 6. Resolution passed the general principles of the company's pre-approval of the non-confirmation service policy	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2023/4/20 The 10th meeting of the 3rd Committee	1. Mention for the company's 2022 surplus distribution plan 2. Review of the equity investment cases 3. Review of the case of adding a packaging water plant	Case 1: This case was consulted by the chairman, member Chen Min-Hsun expressed objection, member Du Ying-Ta and member Li Ming-Hui agreed to the case, and the case was passed. Case 2 and 3: This case was approved by independent director Li Ming-Hui, a member of the Audit Committee, and the case was passed.	Submitted to the Company's Board of Directors for resolution
2023/5/5 The 11th meeting of the 3rd Committee	1. Review the financial statements for the first quarter of 2023 2. Review the first quarter 2023 surplus distribution plan 3. Review the 2022 investment cycle internal control system project review case	Case 1 and Case 2: This case was approved by two members of the audit committee, and the case was passed . Case 3: This case was approved by more than half of all members of the audit committee, and the case was passed.	Submitted to the Company's Board of Directors for resolution

(III) The status of corporate governance operations and its differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies with reasons

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
I. Has the Company prepared and disclosed the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		On December 10, 2015, the Company formulated the "Corporate Governance Best Practice Principles" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies". The formulation and amendments of the "Corporate Governance Best Practice Principles" are approved by the Board of Directors and the full provisions disclosed on the Company's official website. For full text, please refer to Taisun's official website/investor area/corporate governance/important regulations: http://www.taisun.com.tw/investor/important-regulations/	None
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company established its internal operation procedure for responding to the suggestions, queries, disputes, and legal actions of the shareholders in accordance with the procedure?	✓		(I) The Company has established internal operating procedures in accordance with the Code of Practice for Corporate Governance to handle shareholder suggestions, doubts, disputes and litigation matters, and implemented them in accordance with the procedures. In addition, the Company's website has also set up an investor area and investor mailbox: taisunir@taisun.com.tw, and a dedicated person is responsible for responding to shareholders' opinions.	None
(II) Has the Company kept the list of the dominant shareholders that exercise de facto control of the Company and the parties that exercise ultimate control of these dominant shareholders under control?	✓		(II) The Company's stock agency keeps up to date on major shareholders and their ultimate controllers via the shareholder registry, and regularly reports changes in insider ownership. In addition, we also have a unit set up responsible for investor relations to maintain good interactions with major shareholders.	None
(III) Has the Company established and implemented the	✓		(III) There are established methods to control the transaction	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
risk management, control and prevention mechanisms for affiliated companies?			management, endorsement guarantees, capital loans, etc. between the Company and its affiliated companies. In addition, according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies", there is a function for "Supervision and Management of Subsidiaries", to implement the risk control mechanisms for subsidiaries.	
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(IV) The Company has established the "Procedures for the Prevention of Insider Trading" which are disclosed on the company website. At least one session of education on related laws per year is carried out on the current directors, managers and employees. The courses we provide cover confidentiality of material information, and causes of insider trading, examples of transactions and Procedures for Ethical Management and Guidelines for Conduct. In 2022, we provided ethical corporate management related topics for trainings, external education and trainings, and awareness promotion (covering "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct"), with total participation of 1,533 employees, totaling 1,533 hours.	None
III. The composition and responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated a diversity policy, specific management objectives and are they implemented?	✓		(I) The Company has formulated a policy for diversity of board members and specific management objectives: Article 20 of the Company's "Corporate Governance Practices" clearly stipulates the diversity policy - the composition of the Board of Directors shall take into account the Company's business development scale and the shareholding situation of the major shareholders while measuring practical needs. The consideration and selection of director candidates shall be based on a	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			diversity guideline in measuring their professional backgrounds, academic (work) experience and integrity or relevant professional qualifications. At present, all directors and independent directors of the Company are equipped with rich academic and work experiences and the Board is made up with diversity. There are **7** directors and **2** independent directors in the Board who put into play their management decision and supervisory functions. For the implementation of diversity of Board members, please refer to page 21 of the annual report.	
(II) Has the Company voluntarily established other functional committees further to the establishment of a Compensation Committee and auditing committee?	✓		(II) Not only have we established an Compensation Committee and Audit Committee, a ESG Sustainable Development Committee, Human Resources Arbitration Committee, Pension Supervisory Committee, Employee Welfare Committee, Occupational Safety and Health Committee, Food Safety Center, Ethical Management Unit and Corporate Governance Unit have also been established.	None
(III) Has the company formulated the board's performance evaluation method and evaluation method, conducted performance evaluation annually and regularly, and reported the results of the performance evaluation to the board of directors, and applied it to individual directors' remuneration and nomination renewal?	✓		(III) In a bid to implement corporate governance and enhance the functions of the Board of Directors, the Company's Board of Directors approved the “Board Performance Evaluation Methods” on February 27, 2020. The evaluation scope includes the Board of Directors as a whole, board members, Audit Committee and Compensation Committee. The evaluation methods are: internal self-evaluation of the Board of Directors, internal self-evaluation of the board members, internal self-evaluation of the Audit Committee and internal self-evaluation of the Compensation Committee. The Company’s Agenda Working Group is responsible for the execution of these evaluations at the end of the year, and the results will be reported to the Board of Directors. The 2022 performance evaluation results	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
(IV) Does the Company assess the independence of CPAs on an annual basis?	✓		have been submitted to the Board of Directors on March 31, 2023. (Please refer to p. 44of this annual report) (IV) With reference to Article 47 of the Certified Public Accountant Act and the No.10 Bulletin of the Cod of Professional Ethics for Accountants, the Company's Accounting Departments carries out an evaluation on the independence of the CPAS once a year. The result has been submitted to the Audit Committee and Board of Directors on March 31, 2023. After evaluation, CPAs Huang Hsin-Ting and Tseng Kuo-Yang of KMPG proved to have met the independence criteria (Note 1) of the Company and were considered adequate to serve as the Company's CPAs. KMPG has issued a letter of declaration (Note 2). Please refer to pages 61 - 62 of this annual report for Note 1 and Note 2).	None
IV. Is the TWSE / TPEx listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		To enhance corporate governance, on March 8, 2021, the Company's Board of Directors resolved to appoint manager Liu Wei-Chen as the Company's Corporate Governance Manager to protect shareholders' rights and interests and strengthen the functions of the Board of Directors. Manager Liu is equipped with over 3 years' experience serving as a manager in public companies dealing with stock and corporate governance affairs. (Note: Liu Liu Wei-Chen , the director of corporate governance, was dismissed on 2023/03/17, and the new director of corporate governance, Yan Gu- Long, took office on 2023/03/31) Key responsibilities as a Corporate Governance Manager: I. Handling of matters relating to board of directors meetings and shareholders meetings in compliance with law; II. Preparation of minutes of the board of directors meetings and shareholders meetings; III. Assistance in onboarding and continuing education of	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			the directors; IV. Provision of information required for performance of duties by the directors; V. Assistance in the directors' compliance of law; and VI. Other matters described or established in the articles of incorporation or under contract. 2022 Implementation I. Business execution focus: 1. Assist independent and general directors to execute their duties, provide necessary information and arrange continuing education for directors. (1) Provide the board members with the latest amendments to the laws and regulations related to the Company's business filed as well as corporate governance at the time of appointment. These amphetamines shall be updated on a regular basis. (2) Review the confidentiality level of related information and provide necessary company information to the Board of Directors. Maintain smooth communication and engagement with directors and business managers. (3) According to the “Corporate Governance Practices”, independent directors shall provide assistance in arranging meetings with the Internal Audit Supervisor or CPAs when necessary, in order to understand the Company's financial operations. (4) Assist in proposing annual education plans and arranging courses for independent directors and general directors according to the industrial characteristics and the director’s education (experience) background.	
			2. Assist in board of directors and shareholders regarding matters of meeting procedures and legal compliance: (1) Report to the Board of Directors, independent directors and the Audit Committee on the state of the Company's corporate governance operations and ensure whether the	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			shareholders' meeting and the Board of Directors' meeting are convened in accordance with relevant laws and corporate governance codes. (2) Assist and remind directors of the laws and regulations to be complied with when carrying out business or making formal resolutions for the board meeting, and make suggestions when the Board of Directors are about to make unlawful resolutions. (3) Responsible for reviewing the release of material information with respect to important resolutions of the Board of Directors to ensure the legality and correctness of the content in order to protect the equality of trading information for investors. 3. Notify the Board of Directors of the agenda of the board meeting 7 days in advance, convene the meeting, and provide the meeting information. Directors must be reminded beforehand in the event of a conflict of interest, and the board meeting minutes must be completed within 20 days after the meeting. 4. Pre-register the date of the shareholders' meeting, and compiling of the meeting notice, meeting handbook and meeting minutes within the statutory period, as well as matters in relation to registration of changes and amendments to articles of incorporation or the election of directors. II. Further education on corporate governance for Corporate Governance Manager: Please refer to page 67 of the annual report	
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social	✓		The Company has spokespersons system, an email and corporate social responsibility sections on the website, employee complaint mailbox, 0800 special line, as well as procurement, quality assurance, finance and other specialized units and windows. We communicate with investors, banks, employees, consumers, suppliers, distributors, banks and	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
responsibility?			other stakeholders, and appropriately respond to important corporate social responsibility issues of concern to stakeholders (Note 3: please see pages 63~65 of the annual report). Stakeholder contact information and feedback: Phone: (02) 2506 4152 Ext 9203, Ms. Liu Fax: (02) 2506 4156; Mailbox: CSR@taisun.com.tw Website: https://www.taisun.com.tw/contact-staff	
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	✓		The Company appointed the Transfer Agency Department of Yuanta Securities Co., Ltd. to handle the affairs of the shareholders meeting.	None
VII. Information disclosure				
(I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	✓		(I) The Company has a website (URL: http://www.taisun.com.tw) In the investor area, relevant financial business and corporate governance information have been disclosed in detail.	None
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of ae spokesman system, and videotaping institutional investor conferences)?	✓		(II) Other means of information disclosure: 1. The Company's official website has added English and Japanese web pages. 2. In addition, in accordance with the "Corporate Governance Best Practice Principles", the Company has set up a dedicated unit to manage the information collection and online disclosure of information. 3. Implement the spokesperson system and appoint one spokesperson and one acting spokesperson. 4. The institutional investor conference process is also disclosed on the Company website: http://www.taisun.com.tw/investor/legal-person-info/	None
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the	✓		(III) The Company regulates announcements according to laws and directives and declares them to the competent authority: 1. In March 2023, the Company announced its annual financial report for 2022, which was audited by the	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
prescribed time limit?			CPAs, approved by the Board of Directors and acknowledged by the Audit Committee. 2. Within forty-five days after the close of the first, second, and third quarters of each fiscal year, public announcements and filing of the financial statements shall be signed or sealed by the Chairman, managers, and accounting officer which shall be reviewed by the CPAs, and reported to the Board of Directors. 3. Before the tenth day of each month, announce and report the operating conditions of the previous month.	
VIII. Does the Company have other important information helpful for understanding of the corporate governance operations (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relationships, rights of stakeholders, continuing education for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, liability insurance for directors and supervisors taken out by the Company, etc.)	✓		(I) For the corporate governance practices of the Company, please refer to the disclosure on the Company's official website: https://www.taisun.com.tw/corporate/corporate-governance-practices/ (II) The Company prepares the ESG report on a yearly basis. The non-financial information of the past years will be announced in the "ESG Sustainability Report" in the middle of the year to explain the work status. Please refer to the official website: https://www.taisun.com.tw/corporate/calendar- year-report/. (III) Employee rights and care: The Company values the harmony between labor and management and creates a safe and healthy work environment. Please visit: https://www.taisun.com.tw/corporate/business-commitment/. Investor Relations: The Company continues to maintain good interaction with investors. In addition to the shareholders' annual general meeting, we also communicated with investors through correspondences and visits from time to time. Furthermore, it provides investors' feedback to the Company's senior	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			management and related units for reference for improvement and adjustment. In the future, the Company will continue to strengthen investor relations and maintain good communication and exchanges with investors. (IV) Supplier relationships: The Company has established "Qualified Supplier Assessment and Evaluation and Coaching Implementation". From purchasing to leaving the factory, food safety is the priority consideration, and the source of raw materials in the supply chain is emphasized. Each raw material item needs to be inspected again before it enters the factory for manufacturing. Annual sampling is also carried out each year to decide whether cooperation shall be continued. Please visit: https://www.taisun.com.tw/corporate/food-safety/ (V) Stakeholder communication: Providing diversified communication channels and information disclosure, maintaining good dialogue and communication with stakeholders, and collecting the issues that the stakeholders are concerned about. Please visit: https://www.taisun.com.tw/corporate/stakeholder/. (VI) Implementation of customer policy: The Company has a dedicated 0800 consumer service hotline for customers and shops to acquire about products. By doing this, we are able to handle complaints from consumers and customers in a proactive approach, (all outlets) so as to protect consumer rights. (VII) Directors and managers' continuing education status: The directors and managers of the Company have relevant professional knowledge, and according to actual needs, they can arrange courses for relevant laws and regulations. Please refer to Note 4 on Page 66-67 of this annual report for the information on continuing	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			education in 2022 . (VIII) Implementation of risk management policies and risk measurement standards: The Company's major proposals regarding operating policies, investments, endorsements, capital loans, and bank financing have been evaluated and analyzed by the responsible departments and implemented in accordance with the resolutions of the Board of Directors. The Audit Division also drafted its annual audit plan based on the risk assessment results and implemented it. We implement internal control mechanisms and control the implementation of various risk management measures. (IX) The Company has purchased liability insurance for all directors, and disclosed the information on the corporate governance section of the Market Observation Post System.	

IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year.
(Those who are not included in the evaluated company need not be filled in)

1. The Company will continue to improve corporate governance. In response to the lack of scores in the 2021 "Corporate Governance Evaluation" indicators, the planning and description are as follows:

Item	Question type	Improve the status
1	Strengthen the structure and operation of the Board of Directors	1. Promote the formulation of smart property management plans linked to operational objectives. 2. The rest is pending improvement.
2	Improve information transparency	Continued research and improvement.
3	Implement corporate social responsibility	1. Obtained the ISO14064-1 greenhouse gas emission carbon inventory certification in June 2022. It is expected to continue to improve other inventory items in the future. 2. The rest is pending improvement.

2. The Company's "Corporate Governance Evaluation" indicators have not been improved in 2022. The priority enhancements are as follows:

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	

Item	Question type	Priorities and measures to be strengthened
1	Strengthen the structure and operation of the Board of Directors	It is expected to promote the selection of external evaluation institutions to perform external evaluations in the future.
2	Promote sustainable development	1. Obtained ISO14064-1 Greenhouse Gas Emission Carbon Inventory Certification in June 2022. The next goal is to obtain GHG emission verification. 2. Compile the English version of the sustainability report every year from 2021.

Note 1: 2022 annual CPA independence and competency evaluation

Item	Evaluation result	Whether or not the independence criteria is met
1. Do accountants have direct or significant indirect financial interests in the Company?	No	Yes
2. Is there any financing or guarantee between the CPAs and the Company or the Directors of the Company?	No	Yes
3. Is there any close business relation and potential employment relation between the CPAs and the Company?	No	Yes
4. Whether accountants and their audit team members have held positions in the Company for the current or most recent two years as directors, managers or other positions with significant influence on the audit work.	No	Yes
5. Whether the CPAs have provided non-audit services to the Company that will directly influence the audit work.	No	Yes
6. Whether the CPAs have acted as intermediary of the stocks or other securities issued by the Company.	No	Yes
7. Whether accountants have acted as defenders of the Company or settled conflicts with other third parties on behalf of the Company.	No	Yes
8. Whether an accountant shares kinship with the directors, managers of the Company or those who have significant influence on the audit case.	No	Yes
9. Whether the accountant requires, has contracted, or has received any remuneration other than those specified.	No	Yes
10. The accountant has accepted the appointment of the Company as the auditing accountant for seven consecutive years.	No	Yes

Note 2: KPMG Taiwan Accounting Firm Declaration Letter

KPMG 安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 2 8101 6666
Fax 傳真 + 886 2 8101 6667
Internet 網址 kpmg.com/tw

Recipient: Taisun Enterprise Co., Ltd
Subject: It is declared that this accountant has been entrusted to perform the audit and certification work of Taisun Enterprise Co., Ltd.'s 2022 financial statements and has met the relevant independence requirements of the accountant's professional ethics
Explanation: The firm's independence standards include: All members' personal independence (financial benefits, financing guarantees, employment relationships, etc.), business relationships with customers, accountant rotation, and non-audit services and other policies and procedures. The important specifications and compliance matters are described as follows:

1. Important norms of independence
   （1）The firm, its personnel, and other personnel subject to independence regulations (including those of allied firms) are required to maintain independence in accordance with the professional ethics of accountants
   （2）It is forbidden for anyone to engage (directly or indirectly) in insider trading, misuse of inside information or any conduct that may cause misrepresentation in the securities or capital markets. At the same time, a statement that the firm's staff have followed the independence policies and procedures is obtained every year.
   （3）Regarding audit cases for the financial statements of TWSE, TPEx, and Emerging Market listed companies, if the hosting accountant, counter-signing accountant, quality control review accountant, and qualified subsidiary audit accountants have reached the time limit specified in the accountant's professional ethics or laws, a rotation is required.
   （4）To identify and evaluate situations that may affect independence in the services provided, take appropriate measures to eliminate the effect or reduce it to an acceptable level. If necessary, terminate the appointment of the case.
2. Supervision of independent policy compliance
   （1）All auditors should sign a declaration of independence before and after they are assigned to participate in the case. In addition, through the online annual declaration of independence, they should again request confirmation of compliance
   （2）Regular random checks are used to check individual members' compliance with independence, and through the personal investment declaration system, check whether personnel at the deputy manager level and above report personal investment changes in accordance with regulations
   （3）Supervise and spot check the accountant's status and the appropriateness of non-audit services, including the accountant's case certification period and pre-approval of nonaudit services provided.
   （4）In case of a violation of the independence policy, the violating members (including partners) will be referred to the Risk and Independence Committee in accordance with the independence discipline policy. Appropriate punishments and actions shall be taken according to the severity and nature of the violation.

In summary, the accountant was entrusted to perform the auditing work of Taisun Enterprise Co., Ltd.'s financial statements for 2022, and has maintained a rigorous and fair attitude and a spirit of independence. There is no violation of the provisions of the Bulletin of Professional Ethics No.10.

KPMG Taiwan
Huang Hsin-Ting
Accountant:
Tseng Kuo-Yang

March 02, 2023

Note 3: Stakeholder identity, issues of concern, communication channels

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2022
A. Investment lending: Shareholders/Banking Group	1. Waste management 2. Tracking and tracing 3. Customer safety and health 4. Financial performance 5. Corporate risk management	• Annual Shareholders' Meeting • Announcements of major news • Dedicated person to receive shareholder email messages daily • Contact person: 02-2506-4152 ext 9230 Director Yan, Financial Division	1. The 2022 Annual General Meeting of Shareholders was held on May 26 to resolve the 2021 profit distribution proposal and distribute a cash dividend of NTD 1 per share. 2. Responded to several interviews with financial institutions and institutional investors. 3. On December 1, the Company was invited to host the first online investor conference.
B. Sales and purchasing: Distributor/Customer/ Consumer	1. Customer safety and health 2. Tracking and tracing 3. Waste management	• Business visits to various channel vendors from time to time • Consumer market surveys from time to time • Daily customer service line answering and processing • Online announcements of product and company information • Disclosure of product identification information • Marketing campaign contact: 02-2506-4152 ext 9201, Ms. Chan • Customer and consumer service line: 0800-079-080	1. Arrange daily telephone greetings and in-person visits according to the service needs of each channel. 2. Conducted 15 market surveys, and a total of 2208 people participated in the product opinion survey. 3. **In order to control the smooth recycling mechanism, a total of 21 simulated recycling tests were conducted, covering all product types, with a 100% recovery rate. One raw material tracing test was conducted to the finished product, and six were conducted from the raw material tracing to the finished product to ensure the correct traceability of production history.** 4. The 0800 system received feedback from consumers, processing a total of 368 cases: 107 non-production factors, tracing the cause of 261 cases, and responding diligently.
C. Operations management: Governance group/Staff	1. Labor-employment relationship harmony 2. Diversity and equality of employees 3. Market position 4. Financial performance	• Regular communication: Weekly department meeting/monthly supervisor meeting/monthly management meeting • Set up employee complaint mailbox • Ad hoc event handling/satisfaction survey • Contact person: 02-2506-4152 Ext. 9368 Manager Peng of HR Administration Unit	1. 349 employees (216 males and 133 females) responded to the employee satisfaction survey, and 73.83% of employees were satisfied in the survey. 2. Channels for rectification were opened up, and 0 complaints were filed. 3. The total amount of employees distributed from earnings in 2022 was NT$ 267,000,000.
D. Process relationship: Supplier/Foundry	1. Supplier management 2. Procurement	• Regularly visit suppliers conducting evaluations	1. The Purchasing Department makes phone calls and visits suppliers in person on a daily basis.

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2022
	management 3. Waste management	• Item by item quality inspection each time raw materials enter the factory • Ad hoc meetings to discuss product quality • Contact person: 04-874-2211 Ext. 377 Manager Lin, Quality Assurance Department	2. In order to ensure stable supply of suppliers and that the quality meets standards, 58 vendors were evaluated, accounting for 21.85% of the total purchase amount of raw materials. The acceptance rate is 99.55%. Raw materials that have been accepted will be screened once more prior to production use. The material inspection pass rate is 99.82%. 3. The rate of suppliers obtaining international certification is 56.68%. 4. "Integrity and Sustainability Commitment" was reviewed and signed. Suppliers recall 97% of the total annually, and there are 0 cases reported to the ethical mailbox.
E. Community interaction: Factory neighbors/ Public welfare or environmental groups	1. Waste management 2. Water management 3. Customer safety and health	• Daily dedicated line to answer community charity needs • Sponsor/improve public welfare needs from time to time • Volunteers are mobilized from time to time to contribute to charities • Participate in non-profit activities from time to time • Receive visits and engage in dialogues ad hoc • Contact person: 04-874-2211 Ext. 564 Mr. Yan, Public Relations Division	1. Local event sponsorship supported 14 units and 23 events. 2. More than 3,600 boxes of products were sponsored to the Tanaka Marathon, and more than 50 volunteers were mobilized to create friendly interactions between the locals. 3. Factory tours are temporarily suspended during the pandemic. 4. There were no environmental complaints from neighbors during the year.
F. Legal management: Government/ Evaluation unit/ Experts and scholars	1. Waste management 2. Customer safety and health 3. Tracking and tracing	• Cooperate with government agencies for inspections from time to time • Participate in government agency policies or development meetings from time to time discussion • Contact person: 04-874-2211 Ext. 315 Manager Lin, Quality Assurance Department	1. The factory was fined NT$510,000 for one violation of the Air Pollution Beam Control Act. 2. 0 fines were issued. 3. To ensure product safety and uphold the expectation of the public, a total of 637 items were detected. 21 times of water quality inspections were submitted, including 179 oil products, 96 times of tea, 25 times of beverages, 86 times of PET bottled beverages, 57 times of canned food, and inspection of packaged drinking water. 17 times, and 32 times the pastry category, and the test results were all 100%

Stakeholder	Ranking of main concerns	Communication method/channel	Important communication notes in 2022
			passable. 4. Accepted 2 mandatory audits by the government and government-commissioned units, and the audit results met the requirements. In order to continue to improve and obtain food safety and quality certification, Taisun received a total of 11 food safety and quality audits by the third party in 2022. When defects were found in the audit, Taisun actively demanded improvement, and all of them passed the audit.
G. Control of public opinion: Media reporter/ Advertisers/ PR agency/ Netizens	1. Customer safety and health 2. Waste management	• Release media news materials from time to time • Official website public response on days that major information emerges • Organize media briefings/meals from time to time • Official website, FB fan group message interaction • Contact person: 02-2506-4152 Ext. 9203 Ms. Liu of the Public Relations Department	1. 17 unsolicited press releases, 2 press conferences, and irregular networking. 2,794 news exposures were reported by major media throughout the year. 2. Social gatherings with media reporters during the Spring Festival and Mid-Autumn Festival, one time each. 3. The Company keeps track of its website and updates the information from time to time. A total of 214,829 people, of whom 93.45% are Taiwanese netizens, are online to find out about the news about Taisun. Product and event pages are the most frequently viewed products. 4. The Company strengthened the management of FB fan club, which generated 61,000 FB fans, 90 posts during the year, reached 30,582,437 people, and message interaction for 2,889,951 times.
Note 1: Food safety-related figures are based on the assured figures in the 2022 Taisun ESG Sustainability Report. Note 2: The 2022 stakeholder communication results are expected to be submitted to the Board of Directors before June 2023.			

Note 4: Directors' continuing education in 2022:

Name	Date of education	Theme	Organizer	Certificate No.
Yi-Houg Chan	2022/4/18 3 hours	Creating New Corporate Value with ESG: Challenges, Response, and Strategies	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Kuai-Jiao (Dong) Zi No. 6006008
	2022/6/21 3 hours	How to Prevent Internal Concerns - Enterprise Internal Investigation and Analysis	Taiwan Corporate Governance Association	TCGA11102373
Ching-Chao Chan	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823001
	2022/10/26 3 hours	2022 Insider Legal Compliance Seminar for Equity Transactions	The Securities and Futures Market Development Foundation of the Republic of China	Ref. (111) [Shareholdings] Zheng-Ji-Dong-Jian-Xu-Ren-Zi No. 00624
Hao-Jun Chan	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823003
	2022/10/17 3 hours	Explanation of the Concept of ISSB S1 Standard "General Requirements for Disclosure of Sustainability-Relevant Financial Information"	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Hui-Jiao-(Gong)-Zi No. 8130032
Yin Chang-Chung	2022/2/18 3 hours	Unlock the key password in the financial statements	Taiwan Corporate Governance Association	TCGA11100196
	2022/3/23 3 hours	Corporate Governance Lecture - The Responsibilities of Enterprises and Directors and Supervisors from the Perspective of Securities and Exchange Act	Taiwan Academy of Banking and Finance	Ref. (111) King-Fa-Cheng-Zi No. CG300130116008
	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823004
	2022/10/28 3 hours	Advanced Seminar on Best Practices for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Interpretation and Application of Corporate Financial Information for Decision-Making	The Securities and Futures Market Development Foundation of the Republic of China	Ref. (111) Zheng-Ji-Dong-Jian-Xu-Ren-Zi No. 03492
Wei-Lung Liu	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823005
	2022/11/14 3 hours	2022 Cathay Pacific Perpetual Banking and Climate Change Summit	Taiwan Stock Exchange	No certificate No.
Tai-Sheng Han	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823006
	2022/10/5 3 hours	The procedures and practices for the preparation of financial statements by enterprises themselves	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Hui-Jiao (Shu)-Zi No. 1026013
	2022/10/19 3 hours	Read the TCFD Report: Master the Key Points of Information	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Hui-Jiao-(Gong)-Zi No. 8132001
	2022/10/26 3 hours	2022 Insider Legal Compliance Seminar for Equity Transactions	The Securities and Futures Market Development Foundation of the Republic of China	Ref. (111) [Shareholdings] Zheng Ji Dong Jian XUR Zi No. 00644
Ming-Hui Li	2022/3/29 3 hours	Board of Directors and Supervisors Operation and Corporate Governance Workshop	Taiwan Academy of Banking and Finance	Ref. (2022) King-Fa-Cheng-Zi No. CG300220091003
	2022/6/20 3 hours	How Independent Directors Exercise Their Powers Appropriately from the Perspective of Securities and Exchange Act-Audit Committee	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Hui-Jiao-(Gong)-Zi No. 1016016
Min-Hsun	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823008

Chen	2022/10/28 3 hours	Promoting the green transition: Towards net zero carbon emissions	Accounting Research and Development Foundation of the Republic of China	Ref. (111) Hui-Jiao-(Gong) No. 8202011
Ying-Ta Tu	2022/8/23 3 hours	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	Taiwan Independent Director Association	TIDA111H0823009
	2022/11/14 3 hours	2022 Cathay Pacific Perpetual Banking and Climate Change Summit	Taiwan Stock Exchange	No certificate No.

2022 Continuing Education and Training Records of Managers:

Name	Date of education	Training theme	Hours
Wei-Chen Liu (Corporate Governance Manager)	2022/3/29	Analysis of the Latest Corporate Governance Policies and Corporate Governance Evaluation Practices	3 hours
	2022/4/12	How to effectively maintain brand value from the recent famous trademark case	3 hours
	2022/6/16	Seminar on Best Practices for Directors, Supervisors (including independent directors) and Corporate Governance Officers - Introduction to short-term trading by insiders and case studies	3 hours
	2022/8/23	Emerging Trends and Best-Practice Principles of ESG Responsible Investment	3 hours
Kai-Tse Hsiao (Accounting Officer)	2022/7/11~2022/07/19	Continuing Education for New Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	30 hours
Yi-Fang, Tsai (Chief Auditor)	2022/3/30	Legal Compliance and Operational Auditing Practice Workshop	6 hours
	2022/5/17	Operational compliance of the corporate "Audit Committee"	6 hours

Note 1: Mr. Wei-Chen Liu, Head of Corporate Governance, was released from duty on March 17, 2023, and Mr. Ku-Lung Yen, the new Head of Corporate Governance took office on March 31, 2023.

(IV) The Composition, Responsibilities and Operation of the Compensation Committee:

1. Information of Compensation Committee Members

Identity \ Condition / Name				Professional Qualifications and Experience	State of Independence	Number concurrently serving as members of the Compensation Committees of other publicly issued companies
The 5th Committee	Convener	Independent Director	Ming-Hui Li	Note 1	Note 2	0
	Committee member	Independent Director	Min-Hsun Chen			0
	Committee member	Independent Director	Ying-Ta Tu			0

Note 1: For length of service, professional qualifications and experience of members of the 5th Compensation Committee who are independent directors, please refer to information on directors and supervisors information (I) on page 20. The section 4. Professional qualifications and independence of directors on page 28.

Note 2: For independence of members of the 5th Compensation Committee who are independent directors, please refer to 4. Professional qualifications and independence of directors on page 22. Therefore, taking into account the description of this section, the Company believes that the members of the Remuneration Committee are independent of the Company.

Note 3: 2023/5/4 member Tu Ying-Ta resigned; 2023/5/9 member Chen MinHsun dismissed

2. Information on the function of the Compensation Committee

(1) There are 3 members in the 5th Compensation Committee. Term of office: From January 25, 2022 until the term of the Board of Directors ends - from January 1, 2022 to the publication date of the annual report, the Compensation held 7 meetings (A). The qualifications and attendance of the members are as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
The 5th Committee	Convener	Ming-Hui Li	7	0	100%	2023/5/4 member Tu Ying-Ta resigned; 2023/5/9 member Chen MinHsun dismissed
	Committee member	Min-Hsun Chen	7	0	100%	
	Committee member	Ying-Ta Tu	7	0	100%	

Other matters to be recorded:

I. If the Board of Directors disapproves or amends the recommendations from the Compensation Committee, it shall state the date and duration of the meeting of the Board of Directors, details of proposals, the results of the resolutions of the Board of Directors and how the Company deals with the opinions of the Compensation Committee (if the salary and remuneration approved by the Board of Directors are higher than such amount recommended by the Compensation Committee, the Board of Directors shall state the difference and the reasons): There is no such situation; please refer to page 70 of the annual report.

II. If a specific member of the Compensation Committee has adverse or qualified opinions on the resolutions of the Compensation Committee on record or in written declaration, specify the meeting date, the session, the content of the motion, the opinions of all members, and the response to the opinions of the members: None.

3. Compensation Committee's powers:

(1) The functions of the Company’s Compensation Committee are based on the attention of good managers, evaluating the remuneration policies and systems of directors, independent directors and managers of the Company, and meeting at least twice a year. Furthermore, it may hold meetings at any time as needed to make recommendations to the Board of Directors for its decision-making reference.

(2) The powers of the Company's Compensation Committee

A. Periodically review the Compensation Committee Charter and propose amendments.

B. Formulate and regularly review the Company's directors, independent directors and managers' annual and long-term performance targets and remuneration policies, systems, standards, and structures.

C. Regularly evaluate the achievement of the performance targets of the directors, independent directors, and managers of the Company, and evaluate and set the content and amounts of their individual salaries.

(3) When performing the official powers, the Compensation Committee shall follow the principles listed below:

A. Ensuring that the remuneration arrangements of the Company comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

B. The performance evaluation and remuneration of directors, independent directors and managers should refer to the usual level of payment in the industry. It also considers the time invested by the individual, the responsibilities assumed by the individual, the status of achieving personal goals, the performance of other positions, and the salary remuneration given by the Company to those in the same position in recent years. It also evaluates the rationality of the relationship between individual performance and the Company’s operating performance and future risks through the achievement of the Company’s short-term and long-term business goals and the Company’s financial status.

C. Directors and managers should not be guided to engage in behaviors that exceed the Company's risk appetite in pursuit of remuneration.

D. The ratio of dividends to the short-term performance of directors and managers and the payment time of part of the variable salary shall be determined in consideration of the characteristics of the industry and the nature of the Company's business.

E. Members of this committee shall not participate in discussion and voting on their personal salary and remuneration decisions.

The salary and remuneration mentioned in the preceding two paragraphs include cash remuneration, stock options, dividends, retirement benefits or severance payments, various allowances and other measures with substantial incentives. Its scope should be consistent with the remuneration of directors, independent directors and managers in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

If the remuneration of directors and managers of a subsidiary of the Company is subject to the approval of the Company’s Board of Directors according to the subsidiary’s hierarchical responsibility, the Board of Directors shall make recommendations before submitting it to the board for discussion.

4. The Compensation Committee discusses the subject and resolution results and the Company's handling of members' opinions:

Compensation Committee	Proposal content	Compensation Committee resolution results	The Company's handling of the opinions of the Compensation Committee
2022/1/25 1st meeting of the 5th Committee (unscheduled meeting)	Motion to appoint the convener for the 5th term of the Compensation Committee	All members present agreed to pass	None
2022/2/15 2nd meeting of the 5th Committee	1. Motion for recommendations on remuneration of the 22nd Board of Directors (including general directors, chairman and vice chairman) 2. Motion for recommendations on remuneration of the general manager 3. Motion for recommendations on the total remuneration to directors and distribution ratio for 2021	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2022/4/26 3rd meeting of the 5th Committee	1. 2021 Annual Director Remuneration Proposa Proposal on distribution of remuneration to appointed managers in 2021. 2. Suggestions on remuneration to Vice General Manager.	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2022/12/19 4th meeting of the 5th Committee	1. Motion for year-end bonus for 2022 2. Proposal for performance bonus to General Manager	All members present agreed to pass	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2023/03/14 5th meeting of the 5th Committee	1. Proposal for 2022 Director Remuneration	All members present 1 vote for 2 votes against	Members Du Ying-Ta and Chen Min-Hsun expressed their objections.Reasons for opposition: The original proposal issued 1% of directors' remuneration, but the company's operating conditions were not good last year, and the increase in EPS was due to the disposal of Family Mart (shares), so it is opposed to this case.After discussion by all members present, it was unanimously agreed to put forward 4 proposals and submit them to the board of directors for approval.l
2022/03/31 6th meeting of the 5th Committee	1. Proposal for Total 2022 Director Remuneration Distribution	All members present	Chen Min-Hsun minxun expressed her objection. Reasons for opposition: The original proposal to issue 3% of directors' remuneration, which is too high, is opposed to this case. After discussion by all members present, it was unanimously agreed to put forward 2 proposals and submit them to the board of directors for approval.
2022/04/20 7th meeting of the 5th Committee	1. Proposal for 2022 Director Remuneration 2. Proposal for 2022 Appointed Manager Employee Compensation 3. Proposal for Audit Supervisor Remuneration 4. Proposal for Corporate Governance Executive Compensation	All members present Discussion item 1, 2, 2 votes in favor and 1 vote against;Discussion items 3 and 4 are agreed by all members	Chen Min-Hsun minxun expressed her objection.Discussion items 1 and 2 were consulted by the chairman of all the attending committee members. The original proposal was voted in favor of 2 and 1 against. The proposal of the management unit was approved and submitted to the board of directors for approval.

5. Information on members of the Nomination Committee and state of its operations: Not applicable

(V) Promotion of sustainable development and Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	✓		1. The original CSR Committee of the Company began to discuss the reorganization in July 2021 and was officially renamed the "ESG Sustainability Committee" in March 2022. The working team is composed of representatives from different departments and part-time. The company chairman serves as the committee chairman and is responsible for each business department manager is a committee member and regular quarterly meetings are to be held. 2. The ESG Sustainability Committee has four main responsibilities: Corporate governance, health and safety (food), corporate commitment, and environmental sustainability. In 2022, two supervisory meetings were held on April 20 and September 6. In addition to the issues of concern to stakeholders, the Company instructed the task force to supervise the following tasks: (1) Environmental sustainability: Improvement of energy conservation (boiler improvement project, solar energy project evaluation), water resource improvement (Babo Line water recycling project), and improvement of ranch waste (wastewater irrigation project). All of the above have entered the stage of evaluation and negotiation with the vendor, and the improvement of the ranch wastewater irrigation project has been completed. (2) Health and safety (Food Safety Group): Research and development of ESG concept products, and the experiment is in the R&D stage. (3) Corporate commitment: Support employees in going to local areas to promote food knowledge and awareness, enhance food safety awareness, provide long-distance services in remote areas, and strengthen regional and campus activities to promote. Since its inception in August, by the end of the year, 9 remote food awareness sessions have been conducted to 181 people.	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			3. The ESG Committee reported to the Board of Directors twice in 2022, including the identification of stakeholders and the carbon inventory plan and results.	
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	✓		The Company discloses work matters based on the key stakeholder issues and important issues of the company's development. In 2022, a total of 16 ESG office meetings were held. The risk assessment boundary is principally the Company. Report is conducted based on the correlation to the principal operation and the level of impact to the materiality topics to lower operation risk on related topics. In 2022, we established the following risk management policies or strategies: 1. Refinement of management indicators: The ESG Office is required to provide counseling and employee training according to the requirements of TCFD, SASB and the new version of GRI, in order to meet the global indicators and the expectations of the competent authority for the report. 2. Carbon pricing and carbon tax: The Company conducts a comprehensive inventory of carbon indicators to ascertain the possible carbon fees that may be incurred in the future. 3. Rising water, electricity, and oil prices: Due to the fact that energy prices may affect operating costs, and the issue of groundwater pricing, it is necessary to take inventory of old equipment, water-saving solutions, and alternatives to oilseeds to achieve a balance between production efficiency and energy. 4. Improvement of product packaging materials: In response to the world's use of plastics and environmental protection issues, the development of recycled packaging materials and sustainable packaging that are more in line with the trend, and strengthening of product life cycle awareness and environmental impact assessment. 5. Promotion of consumer awareness: Educate the general public about food knowledge, certification priorities, food sanitation regulations, and clarification of rumors. 6. Training mission in Taiwan: Support the development of food safety related talents in Taiwan, and develop MA within the company.	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			(Please refer to page 83 of this annual report)	
III. Environmental issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	✓		The Company's Sustainability Committee is the highest body for climate change management. The Chairman serves as the chair and instructs the ESG Office to handle related sustainability project management. At present, the environmental aspect is still managed in accordance with the Environmental Protection Administration of the Executive Yuan and food safety-related management regulations. Currently, the relevant internal management regulations are: "Production Headquarters Safety and Health Committee Charter", "Facility and Environmental Planning Management Procedures", "Water Treatment Area Environmental Cleaning Operating Standards", "5S Environmental Audit and Assessment Operating Standards".	None
(II) Is the Company committed to improving the efficiency of energy use and using recycled materials with low impact on the environment?	✓		We began to use biomass boilers since 2014 aiming to reduce the consumption of oil boilers. Wood pellets generated from biomass boilers are used as a source of heat energy, reducing the number of slag and ash transportation. At present, bio-energy boilers are also facing steam performance issues after years of use. In 2022, we have launched a boiler replacement evaluation project that includes the replacement of new biomass boilers, bio-fuel evaluation, and various possibilities of natural gas replacement in the hope of using cleaner energy to perform production tasks and reduce air pollution-related hazards.	None
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures?	✓		The Company's Sustainability Committee is the highest body for climate change management. The Chairman serves as the chair and instructs the ESG Office to handle related sustainability project management. At the end of 2022, we have formally invited consultants to assist in the development of TCFD related assessments. We have not yet clearly announced the climate change strategy and goals, and still improve on-site energy equipment. After assessing the relevant indicators such as risks and opportunities, the company will report to the Board of Directors, and announce it in the sustainability report, and report the specific action measures and results.	None
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume	✓		1. In an effort to implement ESG governance and strive for sustainable development, the Company’s GHG emissions, water	None

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>of total waste in the past two years, and formulate policies for greenhouse gas reduction, water management or other waste management?</td><td></td><td></td><td>consumption and total weight of waste and related reduction policies and statistics are as follows:
(1) GHG missions:
The Company started the greenhouse gas emission inventory on 2021/8/18, and obtained the GHG emission verification (ISO 14064-1) on 2022/6/10.
(2) Water consumption:
The food factory's total water consumption in 2022 increased by 26,743 tons, or 4.4%, from 2021, and unit water consumption increased by 0.001 ton/container, or 1.0%, from the previous year. Based on 0.082 tonnes/container of water used in 2020, our unit water consumption has been reduced by more than 10% from the target of 0.074 tonnes/container of water used in 2025.
<table>
<tr><th>Year</th><th>2021</th><th>2022</th><th colspan="2">Increase/decrease</th></tr>
<tr><td>Total water consumption (tonnes)</td><td>608,436</td><td>635,179</td><td>26,743</td><td>4.4%</td></tr>
<tr><td>Total production volume (cases)</td><td>7,852,238</td><td>8,117,639</td><td>265,401</td><td>3.4%</td></tr>
<tr><td>Water consumption per case (metric tons/case)</td><td>0.077</td><td>0.078</td><td>0.001</td><td>1.0%</td></tr>
</table>
(3) Power consumption:
The food factory reduced energy consumption per unit of electricity in 2022 by 0.04 kWh/box compared to 2021, or 3.1%. Based on the 1.27 kWh/box of 2020, the target for 2025 will be 1.12 kWh/box and below, the decrease was over 12%.
<table>
<tr><th>Year</th><th>2021</th><th>2022</th><th colspan="2">Increase/decrease</th></tr>
<tr><td>Electricity consumption (kWh)</td><td>9,248,200</td><td>9,265,800</td><td>17,600</td><td>0.2%</td></tr>
<tr><td>Total production volume (cases)</td><td>7,852,238</td><td>8,117,639</td><td>265,401</td><td>3.4%</td></tr>
<tr><td>Electricity consumption per container (kWh/case)</td><td>1.18</td><td>1.14</td><td>-0.04</td><td>-3.1%</td></tr>
</table>
(4) Waste:
The food factories produced 22 tonnes of non-resource waste (living waste) in 2022, 7 tonnes less than the previous year.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td></td><td></td><td></td><td>The waste recycling rate is 96.5% in 2020 as the base point, the goal for the 2025 waste recycling rate is over 98%, and the 2022 waste recycling rate has reached 98.4%.
<table>
<tr><th>Year</th><th colspan="2">2021</th><th colspan="2">2022</th><th colspan="2">Increase/ decrease</th></tr>
<tr><td>Non-recyclable waste (tonnes)</td><td>29</td><td>2.1%</td><td>22</td><td>1.6%</td><td>-7</td><td>-0.5%</td></tr>
<tr><td>Recyclable resources (tonnes)</td><td>1,355</td><td>97.9%</td><td>1,345</td><td>98.4%</td><td>-10</td><td>0.5%</td></tr>
<tr><td>Total (tons)</td><td>1,384</td><td>100.0%</td><td>1,367</td><td>100.0%</td><td>-17</td><td></td></tr>
</table>
2. Measures to achieve the goal:
(1) Reduction of water consumed by production:
We achieve water consumed by production through RO backwash recycling, second-stage cooling water recycling on production lines, and installation of cooling water recycling system on new production lines.
(2) Reduction of power consumed by production:
We achieve the goal of gradual reduction of power consumption through replacing old equipment and improving process efficiency.
(3) Improvement of utilization of waste recycling:
We reduce our garbage amount and improve the utilization rate by garbage classification and waste reuse.</td><td></td></tr>
<tr><td>IV. Social issues
(I) Has the Company developed the relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?</td><td>✓</td><td></td><td>The Company abides by the laws and regulations on labor rights and gender equality in the places where it operates, supporting and respecting internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, and the International Labor Organization-Declaration of Fundamental Principles and Rights at Work. It has formulated the “Taisun Enterprise Co., Ltd. Declaration on the Protection of Human Rights” to put an end to any violations and violations of human rights, treating and respecting all employees, contractors and temporary personnel, and interns with dignity. Taisun's business philosophy is “pragmatic, righteous, empathetic, and diligent”. We welcome partners who agree and support this business philosophy to join Taisun. The recruitment policy is based</td><td>None</td></tr>
</table>

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			on human rights equality. All candidates have equal opportunities oriented to the ability of the examinee, and not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities. Taisun echoes the sustainable development goals of the United Nations: (Health and wellbeing) ◆ Implementing occupational safety and health management to ensure a safe working environment, and promoting the physical and mental health of employees. ◆ Continuously improving hardware facility standards and safety and health operating procedures, and actively constructing a safe and hygienic working environment to prevent occupational injuries and diseases, and to ensure labor safety and health. (Educational quality) ◆ Supporting employee growth and career development. Providing training plans, training time and funding subsidies, and encouraging employees to take the initiative to make arrangements, keep pace with the times, improve the completeness of their capabilities, and develop suitable talent. (Gender equality) ◆ Promoting gender equality measures to prevent gender violence. ◆ Adopting the principle of equal employment and prohibiting any form of discrimination. (Reduce inequality) ◆ Recruitment that upholds the principles of fairness, justice and openness to recruit suitable talent, and the recruitment policy is based on the equality of human rights. All candidates have equal opportunities, oriented to the ability of the examinee, not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities.	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee	✓		1. Employee benefits: In order to provide diverse welfare measures and welfare subsidies applicable to all employees, the “Taisun Enterprise Co., Ltd. Employee Welfare Committee” and “Pin-Tai Distribution Enterprise Co., Ltd. Employee Welfare Committee” were established in	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
compensation?			accordance with the law to handle various welfare items. In addition to the welfare measures that comply with the law, we also have other welfare measures going beyond the law to satisfy employees' personal and family care. To create a happy workplace environment, the Company allocates 0.05% of its total monthly sales to the welfare fund. The Employee Welfare Committee also convened regular meetings. Due to the pandemic, we were unable to organize large-scale events in 2022. However, the Company still manages the expenses related to scholarship for children, respect for the elderly, three festivals, and mortgage for house purchase, and the disbursement amounted to NT$7,793,833. In addition to taking care of its employees, the Company has established a leave system in place according to the law and placed great emphasis on managing working hours. The Company also provided subsidized lunch boxes, arranged dormitory and guesthouse for employees, offered flexible work hours, and invited visually impaired colleagues to work in the Company for massage services. During this period, resources related to remote work have been developed to protect the health of employees and allow them to work from home with peace of mind. At the same time, the EAP employee assistance plan is provided to help employees solve physical and mental distress, and maternity leave, paternity leave, and related special leave periods are provided according to laws. For employees who retire at an advanced age, the "Pension Supervisory Committee Charter" and "Retirement Management Regulations" have been established, and a reappointment system has been arranged so that employees can still enjoy a variety of lifestyle choices after retirement. 2. Employee remuneration policy When the overall performance is outstanding, not only shareholders are entitled to dividends, but employees are also entitled to mid-year dividends as a reward for their hard work in the previous year. According to the Articles of Incorporation, employees' remuneration shall not be less than 2%. Taisun Company has started to distribute remuneration year after year since 2018, and the total	

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			amount remitted in 2022 is NT$26,700 million. In addition to bonuses for immediate work results, the Bank also distributes year-end bonuses based on performance appraisal results at the end of the year, and organizes annual presentations to recognize high-performance teams or individuals. There are also opportunities for promotion and salary adjustment. In addition, employees who have served for two years or more can apply for a shareholding trust and share business performance. (Please refer to pp. 128~132 of this annual report).	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	✓		The Company provides employees with a safe and healthy working environment, from regular employee health inspections, safety education and publicity to safety work rules for on-site employees. There are standards and actual implementation. 1. Prevent major occupational disasters with the occupational safety management system ① The Occupational Safety Committee conducts occupational safety management and holds regular meetings to investigate and review deficiencies. ② The 6S exercise is included in the scope of performance evaluation. ③ Organize annual employee health checkup. ④ Report of abnormal health management value and risk classification 2. Prevention of the four major emerging hazards: Anthropogenic hazard prevention surveys are conducted, and high-risk patients are prioritized as part of the physician's on-site service. The Company also offers a maternal health education program for female employees. 3. Provision of occupational health services and training: Safety and health education and promotion, contractors' work safety promotion, occupational safety training for new recruits, and medical and health services are held on a regular basis every year. (Please refer to page 132 of this annual report)	None
(IV) Does the Company establish an effective career development training program for employees?	✓		The Company has established “Education and Training Measures” to train practical talent for corporate development strategies (please refer	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			to pages 129~130 of the annual report).	
(V) In terms of issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and does it formulate relevant consumer or customer protection policies and appeal procedures?	✓		The Company manages customer safety and health, customer privacy, marketing and labeling in accordance with the provision in the “Act Governing Food Safety and Sanitation”. There is a 24-hour free service line at 0800-079080 available for consumer complaints in accordance with the “Administrative Measures for Consumer Service Lines”. In 2022, we resolved 368 cases of product condition (excluding general product consultation services): 107 cases non-production factors, traced the cause of 261 cases, and responded with progressive measures.	None
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	✓		The Company has established the "Supplier Establishment Management Operating Standards Act," "Operating Standards for Selection of Excellent Suppliers," "Operating Rules for Selection of Qualified Suppliers," and "Operating Standards for the Assessment and Control of Outsourcing Service Providers." Conduct reviews and make relevant amendments where necessary. The "TaiSun Enterprise Co., Ltd. Ethical Corporate Management Best Practice Principles" is binding for the relationship between employees and suppliers, and suppliers are required to sign the "Commitment to Integrity and Sustainability Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Procedures and Code of Conduct, Corporate Social Responsibility Best Practice Principles, and Human Rights Protection Declaration. We hope to raise the overall ESG awareness of suppliers and agree to abide by the responsibility to protect the environment and society, and strengthen suppliers' commitment to product responsibility, environmental management, and labor conditions. The Company has also included relevant criteria in the evaluation. The company also evaluates the possibility of continued cooperation based on the results of the annual supplier quality evaluation plan, and uses cooperation as the foundation for common growth. (1) Selection of new suppliers: The COA of raw materials must meet the relevant specifications and the raw materials and products must meet the requirements of CNS and health regulations.	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			(2) The current evaluation requirements: Compliance with labor standards, no child labor, whether food safety plans and implementations are clearly defined, and whether industrial safety and health plans and implementations are clearly defined. At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity.	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The Company has compiled an annual Corporate Social Responsibility (CSR) report since 2015. The name was changed to the "ESG Sustainability Report" in 2021 to disclose the effectiveness of ESG implementation. The report contents are prepared in accordance with the “Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies,” "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the standards set by the Global Reporting Initiative (GRI). Furthermore, we entrust KPMG Taiwan to carry out independent limited assurance in accordance with Bulletin No. 1 of the Confirmation Standards issued by the Accounting Research and Development Foundation of the Republic of China, the “Audit or Review of Assurance Cases for Non-historical Financial Information.” Related report information is disclosed at, ① The Company: https://www.taisun.com.tw/corporate/calendar-year-report/ ② Public information website: https://mops.twse.com.tw/mops/web/t100sb11	None

VI. If the Company has instituted the sustainable development best practice principles in accordance with the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” specify the implementation of these principles and the variation with the Sustainable Development Best Practice Principles for the TWSE/TPEx-listed Companies:

The Company has established the "Sustainable Development Best Practice Principles" to implement corporate governance, develop a sustainable environment, maintain social welfare, and enhance corporate social responsibility information disclosure. There are no major differences in terms of environmental, product, governance and social aspects. To comply with TCFD and SASB requirements, it will be disclosed in the 2022 report.

VII. Other important information to facilitate understanding of the promotion of sustainable development operations:

(I) Environmental aspect:

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	

1. Factory energy management (boiler renewal plan), water management (purified water recovery for production line cooling), and solar energy are assessed. We will report separately after confirmation and implementation.
2. Continue to replace old equipment with new ones in all production lines to strengthen production line capacity and balance energy conservation and performance.
3. Continue to carry out research on waste recycling to study the feasibility of turning waste into the next raw material for enterprises. We have achieved small-scale achievements for the time being, and follow-up work can be carried out after the experimental actuarial cost is calculated.
4. Wastewater discharge quality (in compliance with government regulations): We have formulated stringent standards for the inspection of treatment functions and discharge water concentration of each factory. In 2022, the BOD, COD and SS of wastewater discharged all met the government discharge water quality standards.

Status of wastewater management in food factories:

Item	National standard	Year	January	April	July	October	Average
BOD (biological oxygen demand)	<30mg/L	2021	7.5	12.4	----*	12.8	10.9
		2022	14.8	8.5	5.8	7.8	9.2
COD (chemical oxygen demand)	<100mg/L	2021	22.1	50.2	----*	40.0	37.4
		2022	31.9	25.1	14.6	22.4	23.5
SS (suspended solids)	<30mg/L	2021	12.0	20.4	----*	12.8	15.1
		2022	<1.5	2.5	<1.5	2.8	2.1

* According to EPA's "COVID-19 Measures" on June 3, 2021, one quarter of testing must be cancelled between Q2 and Q3 in 2021, testing in 2021 Q3 was confirmed to not be conducted.

(II) Building a healthy society and sustaining the value of Taisun:

1. Improvements in the use of eco-friendly packaging materials: In response to the issue of PET bottle plastics, "Cheers" introduced aluminum cans packaging in 2022 in addition to PET bottles. Aluminum cans have good gas retention, providing a win-win situation for the environment and consumers.
2. Manufacture of healthy trend products: To protect the health of the people, we are actively improving product content. Among them, "Oat Milk with Peanuts" was launched in March 2022 and contains 3.5g less sugar per 100g of "Peanut Soup", persistent in 100% spice-free, healthy and tasty. In 2022, continued to develop the "Nuts Effect Almond Milk" plant milk market by introducing oat milk with almond milk. The product is low-calorie, lactose-free, and cholesterol-free. It is made with oat and barley kernel double granules to supplement the daily vitamin E requirement.
3. Promote food knowledge: Create food safety teaching materials during the pandemic. Professional knowledge of food factories is shared with rural communities through online courses to improve food knowledge among the public.

(III) Environmental protection maintenance and investment:

1. At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	

from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials in 2020, we further improved the combustion rate. The slag output was significantly reduced by 65.57 tons, or 48%.

2. In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in December 2019, and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA's stationary source emission standard amended on July 1, 2020, our food factory's oil boilers also began to use the light cracking oil of Formosa Plastics Group since March 2020. All air pollution emission tests in 2022 met the air pollution standard.

(IV) Product:

As a member of the food manufacturing industry, Taisun Enterprise strictly examines and selects raw material suppliers. In addition to being a legitimate business operator, a supplier must also meet Taisun's production requirements and have both reasonable prices and high coordination ability. The procurement process of raw materials must be reviewed and confirmed by relevant units such as R&D and quality assurance and grow together with suppliers through the method of supplier evaluation. It also reassesses or cancels partnerships for abnormal suppliers and implements supplier management policies.

1. There were 58 suppliers (37 for raw materials and 21 for supplies) that had actually performed the evaluation in 2022, accounting for 21.85% of the total purchase amount of raw materials.
2. Taisun Enterprise actively counsels suppliers to upgrade the food safety quality management system. At present, the rate of penetration rate of GFSI-approved suppliers is 14.97%. We will continue to guide all suppliers to introduce international certification, improve the quality system management level of partners, and achieve the concept of coexistence and common economic prosperity.
3. In 2022, there were 9 cooperating OEMs. Due to product adjustments, there was 1 fewer OEM than in 2021. Commissioned outsourced factories have obtained 100% food safety related certification. We continue to promote outsourced factories to obtain food safety quality certification.
4. An evaluation plan is drawn up every year, and on-site inspection at the outsourced factory is used as reference information for follow-up cooperation. Of the 7 outsourced factories that performed on-site evaluations in 2022, 5 outsourced factories were rated as B-level and 2 outsourced factories reached A-level.
5. List of food safety certifications obtained by Taisun:

Product category	International certification		National certification	Halal certification
				
Canned snacks	100%	100%	95.08%	95.66%
Fresh house snacks &	100%	100%	89.85%	70.24%

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	

drinks				
Beverage products	31.71%	55.37%	70.75%	30.45%
Tetra Pak beverages		100%	92.77%	
Packaged drinking water			100%	
Oil products	67.27%	100%	43.03%	46.52%
Carbonated drinks	14.29%	15.39%	88.22%	

(V) Food safety and national nutrition promotion

- Combine health product with local merchants to develop Camelia oil products.
- Develop healthy almond milk with the entire bottle free from lactose, gluten, and cholesterol, with high calcium and daily vitamin E.
- Our classic long-selling Grass Jelly Drink aims to enable customers to, while their appetite is satisfied, the intake of sugar is at the same time reduced. Given the notion, we have improved the formula, and Grass Jelly Drink with reduced sugar was launched.
- Our health product Zhen Gu pumpkin quinoa porridge has obtained the Eatender certification meeting the rating of "easy chewing".
- We have launched healthy oil products with national health certification, which is to add phytol to reduce cholesterol absorption in foods.

1. Performed production line upgrade: Build PE and aluminum can lines to create new products and packaging on par with trends.
2. To effectively put energy into good use, we have conducted old equipment replacement, process efficiency improvement and total energy control. Compared to the previous year's energy consumption, 190,200 kWh was reduced in 2021, representing a reduction of 7.0%. Compared to the previous year's fuel consumption, 35 metric liters were reduced in last year, representing a reduction of 5.5% and carbon emissions were reduced by 109 metric tons.
3. GHG inventory implementation (2020-2021) has been performed to meet future net zero goal and carbon tax basic issues. In 2022, we expect to obtain ISO14064-1 certification.
4. Our waste recovery program has been initiated. By researching for ways to effectively reduce and reuse waste, waste can be the next raw material for companies. Based on this idea, we have identified 3 directions for the development of waste.
5. We will enhance talent development plans and factory improvement plants to nurture talent and retain talent to ensure productivity.
6. Promote a healthy society in the midst of a pandemic:
   ① We supported health care and social service groups in the midst of a pandemic: We initiated a company-wide donation event for supplies in the midst of COVID-19 by donating 800 boxes of products to hospitals and social service organizations.
   ② We sponsored the Care Cup, the sports development of schools in Taisun district, New Taipei City, CTBC Brothers, Formosa Xtreme Triathlon, Formosa Taishin Dreamers and street dance events. We also supported the Taiwan Rice Heaven; its first ever online race in a decade.
   ③ Taisun Cultural Foundation online courses and lectures
   At Taisun, we contribute to the Taisun Culture Foundation each year and have done so for a long time as we firmly believe the Foundation's philosophy of "building positive beliefs to create a harmonious life". Since the establishment, the Foundation has been dedicated to spiritual growth and life education by spreading positive values and beliefs and establishing goodness in society. We do our utmost to give back to society with our practical actions in order to create a sense of happiness and stability. The main tasks of the Foundation:
   - Spiritual growth service - practice the value the true, the good and the beautiful: organize seminars focusing on physical and mental health topics, and publish "Taisun Loves Families" magazine.

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
• Life education service - touching lives with lives: life fighter storytelling, summer life education study for teachers, and Taisun Scholarship for little Taisun. • Family education service - as the growth of parents benefits children, seminars for parents are organized, hoping that children's health and happiness start from parents' self-growth. For other relevant non-financial material information, please refer to the ESG sustainability report on the Company's website (https://www.taisun.com.tw/corporate/calendar-year-report/).				

The overall and individual ranking of the stakeholder related environmental, social and corporate governance issues that have a significant impact on the Company's investors and other stakeholders in 2022

Impact scope of harm: A. Investment and lending B. Sale and purchase C. Operation Management D. Process relationship E. Community interaction F. Legal management G. Public opinion control

Classification	Sort	Issue	Environmental Aspect E	Social S	Governance G	GRI Guidelines	Impact boundary	
							Within the organization	Outside the organization
Issues of major concern	1	Track and trace		✓		416	C	BDFG
	2	Customer safety and health		✓		416	C	ABDFG
	3	Waste management	✓			306	C	EFG
	4	Financial performance			✓	201	C	ABDG
	5	Corporate governance			✓	2-9 to 2-21	C	AFG
	6	Occupational safety and health		✓		403	C	FG
	7	Marketing and labeling		✓		417	C	BDEFG
Issues of Moderate Concern	8	Water management	✓			303	C	EFG
	9	Procurement management		✓		204	C	BD
	10	Material recycling		✓		301	C	D
	11	Supplier management		✓		308, 414, 416	C	BD
	12	Carbon management	✓			305	C	AEF
	13	Harmonious Employment Relations		✓		401	C	FG
	14	Ethical management		✓	✓	205, 206	C	ABD
	15	Energy management	✓			302	C	EF
	16	Market position		✓		202	C	F

(VI) Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
I. Enactment of ethical management policy and program				
(I) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	✓		(I) Based on the management philosophy of integrity, transparency and responsibility, the Company has formulated a policy based on honesty and integrity. The "Taisun Enterprise Co., Ltd. Code of Ethical Management" (these Principles became effective after being passed by the Board of Directors' meeting held on May 11, 2020) amended by resolution of the Board of Directors, and internal rules and regulations including the "Personnel Management Rules" clearly require employees to abide by honesty and integrity. The Company has also established a sound corporate governance and risk control mechanism to create a sustainable business environment, requiring the Board of Directors, management, and all colleagues to comply. In addition, the Company discloses the "Code of Ethical Management" and its related regulations on the MOPS and the Company's website.	None
(II) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		(II) The "Taisun Enterprise Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct" passed by resolution of the Board of Directors on December 24, 2020 stipulates the prevention of unethical conduct, while also covering the items listed in Article 7, Paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" published by the TWSE or other business activities with higher risk of unethical conduct within the Company's business scope so as to regulate relevant preventive measures. We also require relevant units to implement these Principles. In the event of an employee violating the principle of ethical management, it shall be reported	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			in accordance with the “Regulations Governing the Implementation of the Reporting System”. The matter will be examined by the Ethical Management Team, and according to the severity of the matter, the punishment will be announced. Acceptance unit: Corporate Governance Unit. In addition, the Company is civilian food manufacturing enterprise and pays special attention to Article 7, paragraph 2, subparagraph 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies” that cites “Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services”. The preventive measures and promotion points are summarized as follows: ● Regulatory compliance: In order to improve the management of food safety, we keep a close eye on changes in regulations by visiting the websites of the FDA and Law and Regulations Database, Taiwan. We also carry out product compliance inspections, calibrate relevant operating standards and give immediate warning when a product is not in compliance with the regulations. At the same time, the complete information on packaging labeling is also reviewed and tests are periodically traced and tracked, achieving the benefits of source management and rapid queries. ● Food Safety Center: As a means to improve the Company’s food safety organization, effectively control product quality and implement management at source, at Taisun, we have established the “Food Safety Center” to promote food safety policy-related systems	

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			and certifications. By carrying out the Company's food safety self-management plan, food hygiene monitoring and supplier audits, while also monitoring the effectiveness and suitability of the management system, we ensure our quality and food safety are worry-free. ● Quality certification: We regularly strive for certifications and continue to renew those with global standards to ensure high food safety standards and compliance. ● Laboratory upgrade: In 2021, The Quality Assurance Department of Taisun Enterprise Co., Ltd. obtained a TAF (Taiwan Accreditation Foundation) certification, with a certification number 3836 and certificate number L3836-210602. In addition to the Company's own TAF laboratory, products are also tested by external institutions in accordance with the regulations. ● Supplier management: An evaluation plan is scheduled every year. In addition to attaching importance to the quality of the supplier's products, the supplier's implementation of social responsibility is included in the evaluation items of operation and management. At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity. ● Quality management system: A complete food safety and quality management system has been built, and the system is monitored by professionals and precise equipment. In compliance with legal requirements, 100% of the products are built with a paper tracking and tracing system. At the same time, all of them have passed external inspections, and the improvement of defects was in full compliance with the regulations.	

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			● Occupational Safety and Health Committee: In an effort to prevent occupational hazards, maintain the quality of workplace, while at the same time ensuring the safety and health of our colleagues at work to further improve the safety and health management standards, we have established the "Occupational Safety and Health Committee" as required by Article 23 of the "Occupational Safety and Health Act" and Article 10 of the "Occupational Safety and Health Management Measures" to discuss, coordinate and recommend on matters associated with occupational safety and health. Through the management functions of planning, implementation, evaluation and improvement measures, our occupational safety and health management system is enhanced, achieving the objective of sound safety and health management.	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?			(III) In the "Taisun Enterprise Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct", the Company has established measures to prevent unethical conduct. There are also clear operating procedures, guidelines for conduct, disciplinary and complaint systems stipulated in the measures. Also, in order to ensure the implementation of ethical management, the HR Administration Unit has been designated as the dedicated unit responsible for the promotion and monitoring of the implementation of ethical management policy as well as the preventive measures. The HR Administration Unit periodically reviews and reports to the Board of Directors on the status of implementation, measures adopted and effectiveness of promotion.	
II. Implementation of ethical management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical	✓		(I) Before establishing a business relationship with others, the Company evaluates the legitimacy of the	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
management clause in the contract to be signed with the trading counterpart?			counterparty, fully understands the ethical management situation of the counterparty, and whether there has been a record of dishonest behavior. Ensure that its business operations are fair, transparent and it will not request, offer or accept bribes. We have also implemented the “Letter of Commitment for Integrity and Sustainable Business" signed by our partners in 2022, and 97% of our regular partners have kept their commitments.	
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	✓		(II) The HR Administration Unit has been appointed as dedicated unit for ethical management and is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The Unit reports to the Board of Directors at least once a year on the ethical management policy and the prevention plan for unethical conduct and the supervision situation of the implementation. On December 23, 2022, the Company's ethical management team reported the status of implementation, measures adopted and promotion results to the Board of Directors on December 23, 2022.	None
(III) Has the Company made policies for the prevention of the conflict of interest, and provided the channels for expressions, and has it properly implemented this system?	✓		(III) The “Taisun Enterprise Co., Ltd. Code of Ethical Management” and the “Taisun Enterprise Co., Ltd. Ethical Corporate management Best Practice Principles” set forth by the Company have clearly defined policies to prevent conflicts of interest and provide appropriate channels for presentation, and require relevant units of the Company to implement.	None
(IV) Does the Company have an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to	✓		(IV) The Company has established various accounting systems and internal control systems in order to implement ethical management. Furthermore, the audit unit is responsible for operations to assist the Board of Directors and managers to inspect, review	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
prevent dishonesty, or entrust an accountant to perform the audit?			and strengthen the promotion and implementation of the Company's internal control systems. The audit unit performs the audit work in accordance with the annual audit plan approved by the Board of Directors. The audit supervisor sends a written report to independent directors the following month after the audit project (or tracking project) is completed. Furthermore, it regularly reports to the audit committee and the Board of Directors on the implementation of the audit business and the results of the annual self-assessment of the internal control system.	
(V) Has the Company provided internal and external training on topics of ethical corporate management at regular intervals?	✓		(V) The Company values ethical management and corporate social responsibility. To do so, we promote a work culture of ethical management and responsibility when an employee begins working with us. In 2022, we carried out internal and external education, training and awareness development (covering “Code of Ethical Management”, “Ethical Corporate management Best Practice Principles” and “Procedures for the Prevention of Insider Trading”) on topics associated with ethical management issues. A total of 1,533 employees took part totaling 1,533 hours.	None
III. Status of the Company’s whistleblowing system	✓			
(I) Has the Company established substantive systems for reporting and rewards for facilitating the reporting of unethical practices, and appointed designated persons for dealing with the persons being reported?			(I) The Company has established and announced internal independent reporting mailboxes and special lines in accordance with the relevant provisions of Article 23 of the “Code of Ethical Management” of the whistleblowing system, and designated staff and units are responsible for reporting. Employee complaint and ethics reporting mailbox: taisunhr1999@taisun.com.tw Receiving unit: Human resources unit, unit	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			supervisor Ethics Mailbox Link: http://www.taisun.com.tw/corporate/stakeholder/ Acceptance unit: Corporate Governance Unit	
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	✓		(II) The standard operating procedures for the investigation of the reported matter must be properly kept, including the acceptance of the reported case, the investigation process, the investigation results and the records of related documents. The identity of the informant and the content of the report are sealed and kept confidential.	None
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	✓		(III) The review process should be conducted in an undisclosed and confidential manner, so as to ensure the privacy rights of the informant. If it is not conducted in a confidential manner in accordance with regulations, the Company will report the matter and mete out punishment.	None
IV. Enhancing Information Disclosure Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	✓		The Company has disclosed Code of Ethical Management related content on both the company Website and the Market Observation Post System.	None
V. If the Company has instituted the corporate social responsibility best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," specify the implementation of these principles and the variation with the Corporate Social Responsibility Best Practice Principles for the TWSE/TPEx-listed Companies: The "Taisun Enterprise Co., Ltd. Code of Ethical Management" set by the Company are based on the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" issued by the Stock Exchange and are also required in operation of relevant units of the Company for required implementation. Furthermore, they should internalize the requirements of the Ethical Corporate Management Best Practice Principles into daily operation management. There is no major difference between actual operation and the code. Based on the provisions stipulated in Article 17 of the Company's Code of Ethical Management, the Company has set up a dedicated unit under the Board of Directors to improve the management of ethical management. The Unit is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The "Code of Ethical Management" and the "Procedures for Ethical Management and Guidelines for Conduct" have been disclosed on the Company's website.				

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
VI. Other information that enables a better understanding of the Company's ethical corporate management: (e.g. review and amendments on the ethical corporate management best-practice principles established by itself): The Company always pays attention to the development of relevant standards for ethical management, and reviews and improves the Company's relevant policies to enhance the effectiveness of the Company's ethical management.				

(VII) Inquiry methods of corporate governance codes and related regulations:

The Company has formulated a corporate governance Code of Practice, Code of Ethical Management, Corporate Social Responsibility Best Practice Principles, and related regulations. All have been published on the Market Observation Post System (http://mops.twse.com.tw) and the Company’s official website (http://www.taisun.com.tw) for investors to check, and we will continue to promote the operation of corporate governance.

(VIII) Other information that will help understand the state of corporate governance: Please visit the company website at: http://www.taisun.com.tw.

(IX) Implementation of the internal control systems:

1. Statement of Internal Control System

Taisun Enterprise Co., Ltd.
Declaration of internal control systems

Date: March 31, 2023

The Company's internal control system for 2022, based on the results of self-assessment, is hereby declared as follows:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.

II. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the Company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the Company takes corrective action.

III. The Company judges the effectiveness of the internal control system in design and enforcement in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Criteria"). The Criteria are instituted for judging the effectiveness of the design and enforcement of internal control system. There are five components of effective internal control as specified in the Criteria with which the procedure for effective internal control are composed by five elements, namely, 1. Control Environment, 2. Risk Evaluation, 3. Control Operation, 4. Information and Communication, and 5. Monitoring. Each of the elements in turn contains certain audit items. Please refer to the "Criteria" for details.

IV. The Company has adopted the said Criteria to validate the effectiveness of its internal control system design and execution.

V. The company's assessment found that there are deficiencies in internal control, and the details of the deficiencies and improvements are attached.

VI. Based on the evaluation result of the preceding item, regarding the Company's Internal Control System on December 31, 2022 (encompassing the supervision and management of subsidiaries), and including understanding of the effectiveness of operations and the degree to which the efficiency with which objectives are achieved, it is believed that the reporting is reliable, timely, transparent and in compliance with the relevant specifications and relevant laws and regulations, and the design and execution of the relevant Internal Control System are effective and it can reasonably ensure that the above goals are achieved.

VII. This Statement will be a major part of the Company's annual report and prospectus, and will be made publicly available. If there is any fraud, concealment or unlawful practice discovered in the content of the aforementioned information, the company shall be liable to legal consequences under Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VIII. This Statement has been approved by the Company's Board of Directors at the meeting held on March 31, 2023, at which this Statement was unanimously endorsed by all 8 attending directors with zero dissension.

Taisun Enterprise Co., Ltd.

Chairman: Ching-Chao Chan Signature

General Manager: Cheng-Ta Tsai Signature

2. The special internal control audit report issued by the CPA, if any:

（1） On January 3, 2023, the Taiwan Stock Exchange issued a letter No. 1111806238, which fined NT$2 million due to the lack of internal control system. The company has appointed non-certified accountants to conduct a special review of the internal control system of the investment cycle in the 2022, and drafted an improvement plan for major information disclosure. It submitted to the audit committee and the board of directors of the company for approval.

（2） The Financial Regulatory Commission issued a letter No. 11203321581 On February 14, 2023. It imposing a fine in charge of the company for violating the acquisition or disposal of assets management guidelines. The Financial Supervisory Commission also requested the company to pay attention to the improvement of related deficiencies in the future. The company has provided relevant evaluation documents in accordance with the regulations for the subsequent acquisition of assets, so as to implement the acquisition or disposal of asset processing standards.In addition, according to the Financial Supervision and Administration Commission's letter No. 11201355181. Because the above-mentioned letter was filed by the person in charge of the company. The petition was rejected and a fine of NT$480,000 was imposed.

（3） The Stock Exchange issued a letter No. 1121801864 On April 25 2023. Which was fined NT$2.5 million due to the lack of internal control system. The company has provided relevant documents to the Taiwan Stock Exchange in accordance with the requirements of the letter.

（4） The Stock Exchange issued a letter No. 1121802138 on May 11 2023. Which imposed a fine of NT$3 million for violating the regulations on reporting major information. The company has completed the correction of important information on May 11.

(X) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to law, and the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, major defects and improvements:

None.

(XI) Major decisions of the Shareholders Meeting and the Board in the most recent year to the day this report was printed:

1. Important resolutions of the 2021 shareholders meeting:

Date	Meeting type	Important resolutions	Implementation status
2022/05/26	Shareholders' Meeting	(1) The motion for 2021 business report and financial statements.	(1) Relevant forms have been submitted to the competent authority for inspection and announcement in accordance with Company Act and other relevant laws and regulations.
		(2) The motion for 2021 earnings distribution.	(2) The Company's net profit after tax in 2021 was NTD 591,827,052. According to the resolution of the shareholders meeting, the dividend per share was NTD 1. The ex-dividend date was set on July 1, 2022, and the payment was fully completed on July 25, 2022.
		(3) Motion for passing the amendments to the Company's Procedures of the Acquisition or Disposal of Assets.	(3) Effective from the resolution of the shareholders' meeting and has been announced on the Company's website.

2. Important resolutions of the Board of Directors in 2022 and as of the printing date of the annual report:

Date	Term	Important resolutions
2022/01/25	22nd term 2nd meeting	1. Passed the motion for the appointment of the Compensation Committee members. 2. Passed the motion for recognition of the personnel change of vice general manager. 3. Passed the motion for submission of the personnel change of the spokesperson and acting spokesperson. 4. Passed the motion for submission of the accounting supervisor change. 5. Passed the motion for re-assignment of the representative of Taisun (Cayman) Investment Ltd.
2022/02/25	22nd term 3rd session	1. Passed the motion for matters in relation to the Company's 2022 Annual Meeting of Shareholders. 2. Passed the motion for remuneration to the independent directors of the 22nd Board. 3. Passed the motion for remuneration to the members of the Compensation Committee of the 5th term. 4. Passed the motion for remuneration to the members of the 22nd Board. 5. Passed the motion for remuneration to the general manager. 6. Passed the motion for remuneration distribution to employees for 2021. 7. Passed the motion for the establishment of the Company's 2021 distribution of remuneration to directors. 8. Passed the motion for the financing facility from financial institutions. including Hua Nan Commercial Bank, etc.
2022/03/25	22nd term 4th session	1. Passed the motion for the Company's 2021 business report and financial statements. 2. Passed the motion for the Company's 2021 profit distribution table. 3. Passed the motion for the self-assessment result of the Company's internal control.

Date	Term	Important resolutions
		4. Passed the motion for the amendments to the Company's Procedures of the Acquisition or Disposal of Assets. 5. Passed the motion for the amendment to the Company's Preparation Process Management Measures for Financial Statements 6. Passed the motion for the financing facility from DBS Bank Taiwan.
2022/05/10	22nd term 5th session	1. Passed the motion for the 2022 first quarter financial statements. 2. Passed the motion for the distribution of earnings for the first quarter of 2022. 3. Passed the motion for the Compensation Committee to recommend the 2021 distribution of remuneration to directors. 4. Passed the motion for the Compensation Committee's recommendations for the 2021 employee remuneration distribution for managers. 5. Passed the motion for remuneration to the vice general manager. 6. Resolution passed for the motion for the amendments to the Company's Corporate Social Responsibility Best Practice Principles. 7. Passed the motion for the financing facility from Mega Bank Taipei Zhongxiao Branch.
2022/08/11	22nd term 6th session	1. Passed the motion for the 2022 second quarter financial statements. 2. Passed the motion for the distribution of earnings for the second quarter of 2022. 3. Passed the motion for the financing facility from Bank of Taiwan Taichung Branch.
2022/11/10	22nd term 7th session	1. Passed the motion for the 2022 third quarter financial statements. 2. Passed the motion for the distribution of earnings for the third quarter of 2022. 3. Passed the motion for the motion for the Taisun Enterprise (Zhangzhou) Foods application fund loan amount. 4. Passed the motion to amend the Company's "Procedure for Handling Inside Information in Materiality." 5. Passed the motion for the amendments to the Company's "Regulations Governing Procedure for Board of Directors Meetings". 6. Passed the motion for the financing facility from FAR EASTERN INTERNATIONAL BANK.
2022/12/02	22nd term 8th session	1. Passed the motion for capital expenditure. 2. Passed the motion for the disposal of the Company's investment in securities.
2022/12/23	22nd term 9th session	1. Passed the discussion for the 2023 business plan. 2. Passed the discussion of the 2023 audit plan. 3. Passed the proposal for year-end bonuses to managers appointed by the Company in 2022. 4. Passed the proposal on the performance bonus to the Company's General Manager. 5. Passed the motion for the financing facility from bank.
2023/03/15	22nd term 10th session	1. Proposal for convening the Annual General Meeting of Shareholders in 2023. 2.Passed the motion for the financing facility from bank.
2023/03/31	22nd term 11th meeting	1. Passed the motion for the Company's 2022 distribution of remuneration to employees. 2. Passed the motion for the establishment of the Company's 2022 distribution of remuneration to directors. 3. Passed the motion for the Company's 2022 business report and financial statements. 4. Change of the Chief Audit Officer and the Chief of Corporate Governance. 5. Motion for the review of the Company's internal control self-evaluation results. 6. Planned to formulate the general principles of the company's pre-approval non-confirmation service policy.

Date	Term	Important resolutions
2023/04/20	22nd term 12th meeting	1. It was resolved to pass the 2022appointed manager employee remuneration proposal 2. Resolution passed the 2022 director remuneration proposal 3. Resolution to pass the corporate governance executive remuneration proposal 4. Resolution to pass the company's audit supervisor remuneration proposal 5. Resolution to pass the equity investment proposal 6. The resolution passed the case of building an additional packaging water plant
2023/05/05	22nd term 13th meeting	1. The resolution was passed and the 2023 annual general meeting of shareholders accepted shareholder proposals 2. Resolution to approve the company's 2022 year surplus distribution plan 3. Resolution to approve the consolidated financial statements for the first quarter of 2023 4. Proposal on distribution of surplus in the first quarter of 2023 5. 2022annual investment cycle internal control system project review case

(XII) In the most recent year and up to the date of publication of the annual report, the major contents of the opposition to or qualified opinions expressed by directors or supervisors about the significant resolutions passed by the Board of Directors that have been noted in the records or declared in writing: None.

(XIII) In the most recent year and as of the date of publication of the annual report, resignations by the company chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor and R&D supervisor, etc.:

May 10, 2023

Title	Name	Date of appointment	End of appointment	Reason for resignation or dismissal
Vice Chairman	Yi-Houg Chan	2021/12/16	2023/01/14	The corporate director re-appointed a representative and was therefore relieved of the vice chairman position in accordance with the Company Act.
Internal Audit Supervisor	Tsai I-Fang	2004/7/14	112/03/31	Retire
Corporate Governance Supervisor	Liu Wei-Chen	2021/03/08	2023/03/17	Retire

V. Information on fees for CPAs

(I) Information on fees for CPAs

Currency unit: NTD thousand

Name of accounting firm	Accountant name	Accountant review period	Audit professional expense	Non-audit professional expense	Total	Remarks
KPMG Taiwan	Hsin-Ting Huang	2022/01/01~ 2022/12/31	4,350	2,025	6,375	Non-audit fees were the assurance service for the 2021 CSR report, employee salary checklist for non-supervisors and English translation consolidated financial report expenses.
	Kuo-Yang Tseng					

(II) Replacement of the CPAs firm and reduction in audit fees paid during the year of replacement compared with the previous year: None.

(III) If the audit fees are reduced by more than 10% compared with the previous year, the amount, proportion and reasons for the reduction in the audit fees shall be disclosed: None.

VI. Information on replacement of CPAs:

In line with the auditing standards and the internal operations of KPMG, the original CPAs Tseng, Kuo-Yang and Chen, Chung-Che will be changed to CPAs Huang, Hsin-Ting and Tseng, Kuo-Yang from 2021.

(I) About the former CPAs

Replacement date	From January 1, 2021			
Reason for replacement and description	In line with the auditing standards and the internal operations of KPMG			
Explanation for why appointing person or accountant was terminated or did not accept the appointment	The person himself/ herself / Occurrence		Accountant	Appointed person
	Voluntary termination of appointment		Not applicable	
	No longer accept (continue) appointment			
Opinions and reasons for the inspection report other than unqualified opinions issued within the latest two years	None.			
Is there any Dissenting opinion with the issuer?	Yes		Accounting principles or practices	
			Disclosure of financial reports	
			Check scope or steps	
			Other	
	None	V		
	Explanation			
Other disclosures (Article 10, paragraph 6, item 1 (4) to item 1 (7) should be disclosed)	Not applicable			

(II) About the succeeding CPAs

Firm name	KPMG Taiwan
Accountant name	CPAs Huang Hsin-Ting and Tseng Kuo-Yang
Date of appointment	From 2021
Consultation in designated accounting method or accounting principles and comments on possible opinions of the CPA on the financial audit prior to the appointment, and the result.	Not applicable
Written opinions of the successor accountant on the dissenting opinions of the former accountant	Not applicable

(III) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: Not applicable.

VII. Information on the chairman, General Manager, financial and accounting manager of the Company who has worked with the Company's external auditors or the affiliates to such auditors in the most recent year: None.

VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% during the most recent year and until the date of publication of the annual report

(I) Changes:

Job title	Name	2022		2023 as of **May 10**	
		Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares
Director	Jing Xun Investment Industrial Corporation Limited	0	0	0	(4,800,000)
	Representative: Ching-Chao Chan	0	6,000,000	0	0
Director	Shen Yang Investment Corporation Limited	0	0	0	0
	Representative: Yi-Houg Chan	0	0	0	0
Director	Hongqiang Co., Ltd.	0	0	0	0
	Representative: Hao-Jun Chan	0	1,800,000	0	(1,800,000)
Director	Huang-Qiao-Lin Business Co., Ltd.	0	0	0	0
	Representative: Chang-Chung Yin	0	0	0	0
Director	Long Bon International Industrial Co., Ltd.	52,602,000	26,609,000	5,716,000	(67,588,000)
	Representative: Liu Wei-Lung	0	0	0	0
Director	Long Bon International Industrial Co., Ltd.	52,602,000	26,609,000	5,716,000	(67,588,000)
	Representative: Tai-Sheng Han	0	0	0	0
Independent Director	Min-Hsun Chen	0	0	0	0
Independent Director	Ming-Hui Li	0	0	0	0
Independent Director	Ying-Ta Tu	0	0	0	0
General Manager	Cheng-Ta Tsai	0	0	0	0
Vice General Manager	Max Lei	2,000	0	-300,226	0
Major shareholder	Long Bon International Co., Ltd.	52,602,000	26,609,000	5,716,000	(67,588,000)

Note 1: Huang-Qiao-Lin Business Co., Ltd. was relieved of its directorship on December 2, 2022.

Note 2: Yi-Houg Chan, the legal representative of Shen Yang Investment Corporation Limited, was dismissed from office on January 17, 2023, and was succeeded by the new director, No-Hua Chen.

(II) Information on equity transfer with related parties: None.

(III) Information on pledge of shares with related parties: None.

IX. Information about the relationships of the ten largest shareholders

March 31, 2023; unit: shares

Name	Shares held personally		Shares held by spouse and minor children		Total holding of shares in the names of others		The Top 10 shareholders are related parties, spouse, kindred within the 2nd tier under the Civil Code to one another, the titles or names, and relation.		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio	Title (or name)	Relationship	
Long Bon International Industrial Co., Ltd.	188,106,000	37.62%	0	0	58,279,000	11.66%	Baosheng Investment	Subsidiary	
Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	0	0	0	0	0	0	None	None	
Baosheng Investment Co., Ltd.	58,279,000	11.66%	0	0	0	0	Long Bon International	Parent Company	
Representative of Baosheng Investment Co., Ltd.: Wei-Lung Liu	0	0	0	0	0	0	None	None	
REN YUAN Co., Ltd.	28,754,000	5.75%	0	0	0	0	None	None	
REN YUAN Co., Ltd..: Li-Li Kao	500,000	0.1%	0	0	0	0	Ching-Chao Chan	Spouse	
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	14,476,823	2.90%	0	0	0	0	None	None	
Jing Xun Investment Industrial Corporation Limited	10,446,082	2.09%	0	0	0	0	None	None	
Representative of Jing Xun Investment Industrial Corporation Limited: Li-Li Kao	500,000	0.10%	6,459,862	1.29%	0	0	Ching-Chao Chan	Spouse	
Pin-Tai Distribution Enterprise Co., Ltd.	10,351,332	2.07%	0	0	0	0	None	None	
Supervisor of Pin-Tai Distribution Enterprise Co., Ltd.: Ching-Chao Chan	6,459,862	1.29%	531,000	0.11%	0	0	Li-Li Kao	Spouse	
Ching-Chao Chan	6,459,862	1.29%	531,000	0.11%	0	0	Li-Li Kao	Spouse	
Yu Kai Investment Co., Ltd.	5,000,000	1.00%	0	0	0	0	None	None	
Representative of Yu Kai Investment Co., Ltd.: Chan,Chin-Chia	1,244,728	0.25%	0	0	0	0	None	None	
Chan Jen-Hua	4,910,000	0.98%	830,000	0.17%	0	0	None	None	
Yu-Jing Investment Co., Ltd.	4,150,515	0.83%	0	0	0	0	None	None	
Representative of Yu-Jing Investment Co., Ltd..: L0,Ling-Mei	303,009	0.06%	0	0	0	0	None	None	

X. Number of the shares in the same investees held by the Company and its directors, supervisors, managers and the enterprises directly or indirectly controlled by the Company, and calculation of the combined shareholding ratio

Comprehensive shareholding ratio

Unit: shares; %

Reinvestment business	The Company's investment		Directors, supervisors, managers, and direct or indirect control of investment in the business		Comprehensive investment	
	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion	Number of shares	Shareholding proportion
Pin-Tai Distribution Enterprise Co., Ltd.	21,255,839	99.93 %	0	0 %	21,255,839	99.93 %
Taiwan Niko Mart Co., Ltd.	27,203,632	73.92 %	8,904,412	24.20 %	36,108,044	98.12 %
Pioneer Traffic Co.Ltd.	1,358,480	13.26 %	8,630,240	84.21 %	9,988,720	97.47 %
Taisun Yuan Co., Ltd.	500,000	100 %	0	0 %	500,000	100 %
Taisun (Cayman) Investment Ltd.	40,290,000	100 %	0	0 %	40,290,000	100 %
Central Union Oil Corp., Ltd.	20,000,000	33.33 %	0	0 %	20,000,000	33.33 %
Taiwan FamilyMart Co. Ltd.	6,836,417	3.06 %	20,000	0.01 %	6,856,417	3.07 %

Four. Fundraising Overview

I. Capital and Shares

(I) Sources of Capital

1. Outstanding shares

Unit: NTD; shares; May 1, 2023

Year/ Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Sources of capital	Capital increase by assets other than cash	Other
1993-06	NTD 10	300,000,000	3,000,000,000	220,745,831	2,207,458,310	Capital surplus transferred to common stock, NTD 124,950,470	None	
1994-07	NTD 10	300,000,000	3,000,000,000	238,250,784	2,382,507,840	Capital surplus transferred to common stock, NTD 175,049,530	None	7/22/1994 MoF Approval No. 32429
1995-11	NTD 10	300,000,000	3,000,000,000	254,910,847	2,549,108,470	Capital surplus transferred to common stock, NTD 166,600,630	None	10/6/1995 MoF Approval No. 53656
1997-06	NTD 10	300,000,000	3,000,000,000	263,907,281	2,639,072,810	Capital surplus transferred to common stock, NTD 89,964,340	None	7/3/1997 MoF Approval No. 52403
1998-07	NTD 18.5	392,000,000	3,920,000,000	323,298,009	3,232,980,090	Capital injection, NTD 360,000,000	None	4/10/1998 MoF Approval No. 29954
	NTD 10					Capital surplus transferred to common stock, NTD 116,953,640	None	6/19/1998 MoF Approval No. 53285
	NTD 10					Retained earnings transferred to capital, NTD 116,953,640	None	6/19/1998 MoF Approval No. 53285
2004-08	NTD 10	500,000,000	5,000,000,000	336,229,900	3,362,299,290	Capital surplus transferred to common stock, NTD 129,319,200	None	7/19/2004 FSC Approval No. 0930132148
2004-11	NTD 10	500,000,000	5,000,000,000	322,244,940	3,162,449,400	Capital reduction from merger, NTD 199,849,890	None	11/8/2004 TWSE No. 0930028439
2005-08	NTD 10	500,000,000	5,000,000,000	322,569,838	3,225,698,380	Capital surplus transferred to common stock, NTD 63,248,980	None	7/21/2005 FSC Approval No. 0940129697
2005-10	NTD 10	500,000,000	5,000,000,000	313,964,087	3,139,640,870	Capital reduction from merger, NTD 86,057,510	None	12/16/2005 MOEA No. 09401247040
2006-08	NTD 10	500,000,000	5,000,000,000	320,243,369	3,202,433,690	Capital surplus transferred to common stock, NTD 62,792,820	None	7/10/2006 FSC Approval No. 0950129435
2010-09	NTD 10	500,000,000	5,000,000,000	333,053,104	3,330,531,040	Retained earnings transferred to capital, NTD 128,097,350	None	7/6/2010 FSC Approval No. 0990034916
2011-09	NTD 10	500,000,000	5,000,000,000	343,044,697	3,430,446,970	Retained earnings transferred to capital, NTD 99,915,930	None	7/5/2011 FSC Approval No. 1000031055
2012-09	NTD 10	500,000,000	5,000,000,000	353,336,038	3,533,360,380	Retained earnings transferred to capital, NTD 102,913,410	None	7/2/2012 FSC Approval No. 1010029034
2018-02	NTD 16.3	500,000,000	5,000,000,000	499,999,038	4,999,990,380	Capital injection, NTD 1,466,630,000	None	11/8/2017 FSC Approval No. 1060041370

2. Type of Shares

Type of shares	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common stock	499,999,038	500,000,962	1,000,000,000	Listed company shares

3. Relevant information about the issuance and raising of securities under the collective reporting system: None.

(II) Shareholder structure

May 1, 2023

Shareholder structure / Amount	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreign individuals (Note)	Total
Number of individuals	2	3	266	65,456	102	65,829
Number of shares held	65	106,894	333,500,333	152,361,741	14,030,005	499,999,038
Shareholding ratio	0.00%	0.02%	66.7%	30.47%	2.81%	100%

Note: The Company's investment in China: 1 shareholder holding 1 share.

(III) Distribution of Share Ownership

1. Common stock (denomination at NTD 10 per share)

May 1, 2023

Ownership range	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	49,955	3,244,243	0.65
1,000 to 5,000	12,665	24,284,798	4.86
5,001 to 10,000	1,761	13,715,425	2.74
10,001 to 15,000	465	5,838,236	1.17
15,001 to 20,000	316	5,858,161	1.17
20,001 to 30,000	224	5,739,340	1.15
30,001 to 40,000	112	4,002,158	0.8
40,001 to 50,000	63	2,936,548	0.59
50,001 to 100,000	114	7,766,855	1.55
100,001 to 200,000	56	7,930,816	1.59
200,001 to 400,000	27	7,952,919	1.59
400,001 to 600,000	17	7,889,932	1.58
600,001 to 800,000	8	5,627,707	1.13
800,001 to 1,000,000	4	3,606,000	0.72
1,000,001 and above, exercise self-judgement on the level based on actual situation	42	393,605,900	78.71
Total	65,829	499,999,038	100

2. **Preferred shares:** The Company does not issue preferred shares.

(IV) List of major shareholders

May 1, 2023

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Long Bon International Industrial Co., Ltd.	188,106,000	37.62%
Baosheng Investment Co., Ltd.	58,279,000	11.66%
REN YUAN Co., Ltd.	28,754,000	5.75%
Yuanta Commercial Bank, entrusted with the special property account of Taisun Enterprise Trust	14,476,823	2.90%
Jing Xun Investment Industrial Corporation Limited	10,446,082	2.09%
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD	10,351,332	2.07%
Chan Ching-Chao	6,459,862	1.29%
Yu Kai Investment Co., Ltd.	5,000,000	1.00%
Chan Jen-Hua	4,910,000	0.98%
Yu-Jing Investment Co., Ltd.	4,150,515	0.83%

(V) Per share data for market price, net worth, earnings, and dividends for the last two years

Unit: NTD/share

Item \ Year			2021	2022	Current year ended March 31, 2023 (Note 8)
Price per share (Note 1)	High		34.55	47.95	30.60
	Low		26.00	26.50	27.90
	Average		28.55	32.73	29.38
Net worth per share (Note 2)	Before distribution		14.36	25.83	—
	After distribution		14.36	25.83	—
Earnings per share	Weighted average number of shares		486,393	486,393	—
	Earnings per share (Note 3)		1.22	12.17	—
Dividends per share	Cash dividends		1.00	4.00	—
	Stock dividends	0	0	0	
		0	0	0	-
	Accumulated undistributed dividends (Note 4)		0	0	-
Return on investment analysis	Price/earnings ratio (Note 5)		23.40	2.69	-
	Price/dividends ratio (Note 6)		28.55	8.18	-
	Cash dividend yield (Note 7)		3.50%	12.22%	-

* When placing shares for transfer of earnings or capital surplus to common stock, this should also disclose the market price and cash dividend information retrospectively adjusted based on the number of shares issued.

Note 1: Listing the highest and lowest market prices of common stocks in each year, and calculating the average market price of each year according to the transaction value and volume of each year.

Note 2: Please fill in the list based on the number of issued shares at the end of the year and the distribution based on the resolution of the board meeting or shareholders meeting in the following year.

Note 3: If there is a retrospective adjustment due to circumstances such as stock dividends, the earnings per share before and after adjustments should be shown.

Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year will be accumulated to the year with surplus, The accumulated unpaid dividends as of the current year shall be disclosed separately.

Note 5: Price/earnings ratio = average closing price per share for the year/earnings per share.

Note 6: Price/dividends 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 the net worth per share and earnings per share, the data audited (reviewed) by CPAs in the most recent quarter up to the date of printing of the annual report shall be filled in; the data of the current year up to the date of printing of the annual report shall be filled in the other columns.

Note 9: As of the publication date of the annual report, there is no accountant-reviewed financial information for the first quarter of 2022.

(VI) Company dividend policies and implementation status

1. Dividend policy stipulated in the Company's Articles of Incorporation:

   Currently, the Company's industry is well-developed with a stable profit. However, due to the significant expansion of production capacity and vertical development plans in the next few years, the distribution of earnings or deficit compensation may be conducted after the end of each quarter. Where the earnings are paid out in cash, it shall be approved by the Board of Directors and reported to the shareholders' meeting without submitting it to the shareholders' meeting for ratification in accordance with the provisions of Article 228-1 and Article 240, Paragraph 5 of the Company Act. Where there are earnings in the quarterly financial statements, the amount for tax payables shall be estimated and reserved before the cumulative deficits are compensated; then, 10% of the balance shall be set aside for the legal reserve unless when the legal reserve has reached the amount of the Company's paid-in capital. After an amount has been provided for the special reserve or the special reserve has been reversed in accordance with the Company's operational needs and laws and regulations, if there is still a balance, the Board of Directors shall make a proposal to distribute the balance and the cumulative undistributed earnings at the beginning of the period. Cash dividend to be distributed shall not be less than 30% of the total dividends to be distributed.
   If the earnings per share falls below NT$0.1, the Board may retain the earnings and not be for distribution.

2. Dividend implementation status:

   For the Company's 2022 earnings distribution, the board resolution on May 5, 2023 was as follows:

   Ordinary stock dividends: A cash dividend of NT$4.0 per share and stock dividend of NTD 0. After the earnings distribution table is passed by the Annual Meeting of Shareholders, the ex-dividend record date is authorized to be set by the Chairman separately

(VII) Effects of the stock dividends proposed at the last shareholders' meeting on company performance and earnings per share:

The Company has made no allotment of stock dividends, so this is not applicable.

(VIII) Employee and director remuneration:

1. The amount or scope of remuneration for employees and directors as stated in the Company's Articles of Incorporation:

   The Company shall appropriate at least 2% of its earnings, if applicable, as remunerations to the employees and no more than 5% as remunerations to the Directors. If the Company has carryforward loss, the Company shall appropriate for covering such loss first.
   The recipients of the aforementioned remunerations in stock or cash shall include the employees of the subsidiaries of the Company meeting specific conditions.

2. The calculation basis for the estimated amount of remuneration for employees and directors in the current period, the calculation basis for the number of shares of employee remuneration distributed by stocks, and the accounting treatment if the actual distribution amount is different from the estimated amount:

In accordance with the Company's Articles of Incorporation and the profitability of the Company as verified by accountants in 2021, it is proposed to appropriate NT$34,500,000 as employee remuneration and NT$27,000,000 as director remuneration; both will be distributed in cash. The aforementioned allocation ratio and amount have been approved by the company's Compensation Committee and the Board of Directors.
If there is a discrepancy between the actual distribution amount in the next year and the estimated amount, it shall be dealt with according to changes in accounting estimates, and the difference shall be recognized as the profit and loss of the following year.

3. Remuneration distribution approved by the Board of Directors:
   (1) The amounts of employee remuneration and director remuneration paid in cash or stock. If there are discrepancies with the annual estimated amounts of recognized expenses, the number of discrepancies, reasons, and handling circumstances should be disclosed:

Year of remuneration: 2022
Board approval date: March 31, 2023 Units: shares; NTD

Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
26,700,000	0	0	26,700,000	20,000,000	No difference	Not applicable	Not applicable

Note: The above remuneration of the employees and directors does not differ from the remuneration amounts for employees and directors as recognized in the 2021 consolidated financial reports.

   (2) The amount of stock dividends paid to employees as remuneration in proportion to the net after-tax income stated in the separate financial statements and to the total amount of remuneration to the employees: Not applicable.

4. The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

Year of remuneration: 2021
Board approval date: February 25, 2022 Units: shares; NTD

Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
34,500,000	0	0	34,500,000	27,000,000	No difference	Not applicable	Not applicable

Note: The amounts of the above board resolutions have been expensed in 2020, and there were no differences between the amounts of the expense accounts and the amounts proposed by the Board of Directors.

(IX) The Company's buybacks of its own shares:

In 2022 and as of the printing date of the annual report, the Company has not bought back its shares.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stock: None.

IV. Issuance of overseas depository receipts: None.

V. Employee stock options: None.

VI. Circumstances for restricting employee rights to new shares: None.

VII. Mergers and acquisitions or the transfer of shares of other companies to issue new shares

(I) In the most recent year and as of the printing date of the annual report, circumstances of completed mergers and acquisitions or transfer of shares issued by other companies: None.

(II) In the most recent year and as of the printing date of the annual report, the implementation status and basic information of new shares issued by other companies that have been approved by the Board of Directors: None.

VIII. Plan for capital investment and utilization:

The Company's previous issuances of marketable securities or privately placed marketable securities have all been completed. There have been no cases which planned benefits have not yet emerged in the past three years.

Five. Operations Overview

I. Business content

(I) Business scope

1. Business items

(1) C105010 Edible Oil and Fat Manufacturing
(2) C201010 Prepared Animal Feeds Manufacturing
(3) A101020 Growing of Crops
(4) A301030 Aquaculture
(5) A401020 Raising of Livestock and Poultry
(6) F203030 Retail Sale of Alcohol
(7) C104020 Bakery Food Manufacturing
(8) C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products
(9) F101040 Wholesale of Livestock and Poultry
(10) F101050 Wholesale of Fishery Products
(11) F102170 Wholesale of Foods and Groceries
(12) C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food
(13) C805030 Plastic Daily Necessities Manufacturing
(14) F201010 Retail sale of Agricultural Products
(15) A102060 Food Dealers
(16) C102010 Manufacture of Dairy Products
(17) C109010 Manufacture of Seasoning
(18) F101130 Wholesale of Vegetables and Fruits
(19) C199020 Edible Ice Manufacturing
(20) F399010 Convenience Stores
(21) F301020 Supermarkets
(22) H701020 Industrial Factory Development and Rental
(23) H701050 Investment, Development and Construction in Public Construction
(24) C199040 Beans Processed Food Manufacturing
(25) H701010 Housing and Building Development and Rental
(26) C110010 Beverage Manufacturing
(27) C111010 Tea Manufacturing
(28) F102030 Wholesale of Tobacco and Alcohol
(29) F102040 Wholesale of Nonalcoholic Beverages
(30) F102050 Wholesale of Tea Leaves
(31) F106020 Wholesale of Daily Commodities
(32) F107030 Wholesale of Cleaning Supplies
(33) F108040 Wholesale of Cosmetics
(34) F203010 Retail Sale of Food, Grocery and Beverage
(35) F203020 Retail Sale of Tobacco and Alcoholic Beverages
(36) F206020 Retail Sale of daily commodities
(37) F207030 Retail Sale of Cleaning Supplies
(38) F208040 Retail Sale of Cosmetics

(39) JZ99050 Agency Services
(40) C113011 Alcoholic Manufacturing
(41) C113020 Alcohol Products Semi-Finished Manufacturing
(42) C114010 Food Additives Manufacturing
(43) F121010 Wholesale of Food Additives
(44) F221010 Retail of Food Additives
(45) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business Contributions:

Product type	Business contribution
Oil products	57 %
Feed products	4%
Food products	35 %
Other	4%

3. The Company's current product items:

Soy flour products: Soy flour, high protein soy flour, full-fat cooked soy flour.
Oil products: Sunflower oil, canola oil, soybean oil, palm oil, olive oil, rice bran oil, grapeseed oil and blended oil series.
Feed products: Milkfish, nile fish, sweetfish, striped bass, grouper, shrimp feed, and aquatic feed such as eels.
Food products: Sweet snack porridges led by our Grass Jelly and Mixed Congee products; Bing Jeon Black Teas that are popular among young people; Cheers sparkling water; Taishan pure water and TwistWater water products with environmentally friendly packaging; BUFF energy drink, Salt Supply - Lychee, Woo Tang, Ten Valley Treasure, Jenguyi Mixed Congee Pumpkin & Quinoa etc. Refrigerated products include grass honey, Bing Jeon Black Tea, plant-based nuts mild and Sunkist juice series products, as well as granular beverages such as the Big Straw series.

4. New products under development: To meet the needs of consumers, we are actively developing in the direction of innovation and health

(1) Bing Jeon series product development
(2) Development of sugar-free tea series products
(3) Cheers Sparkling Water series product development
(4) Development of large drinking straw products
(5) Cha Street series product development
(6) Development of Sunkist's products
(7) Development of new categories of cold storage lines
(8) Development of product line for food business
(9) Research on special oils for business channels
(10) Research on differentiated consumer oil products

(II) Industry Overview

1. Industry status and development:

Oil products: As soybean oil is the most commonly used vegetable oil in Taiwan, Taisun imports soybeans from overseas, processes and refines the oil in Taiwan. The products made by us are soy flour and soybean oil. Soy flour is one of the primary raw materials for complete feeds and soybean oil is used for cooking. Currently there are roughly two main uses for the most part. One is for restaurant and food factory business, such as soybean oil and palm oil in 18-liter drums; and the other is for households, shipped in small packages. In recent years, people’s health awareness has risen and it is an industry trend to introduce diversified edible oils with healthy concepts.

Feed products: The prices of bulk grains continues to rise and feed costs have risen, but they cannot be passed on completely; and so the profits of the feed industry have fallen. Therefore, it has become a trend to extend and increase value across the entire food production chain.

Food products: As the health awareness has increased, Taiwanese people now attach more importance on the raw materials used in products. Products that boast natural, no additives or high dairy content, and value-added are better received by consumers. In recent years, food safety incidents have also raised consumers' health and safety awareness. They thus show a greater willingness to put more money into goods that are produced by major manufacturers, offer certificates of origin, feature production certifications, or other third party certifications. These in turn become selection indicators that put consumers more at ease.

2. Relevance of the industry's upstream, midstream, and downstream:

Oil products: The main raw materials of soybean oil are soybeans, which are imported from the United States and Brazil. Once imported, oils and essential oils are extracted by investee companies. Other types of vegetable oils are imported from countries such as Australia, Spain, the United Kingdom Malaysia and Thailand. The main customers of the oil used in the bulk packaging business are food factories or chain food and beverage groups, or else it is sold to restaurants via distributors throughout the country. Household-use oil sold in smaller containers is sold by Pin-Tai Distribution Enterprise Co., Ltd. to mainly hypermarkets, supermarkets and supermarket chains.

Feed products: The main raw materials are wheat and soybean meal as well as fish meal. Almost all wheat and soybeans are imported from Australia, United States, or South America. After mixing the main raw materials and other subsidiary raw materials into aquatic feed, the company sells it directly in the domestic feed market.

Food products: Good products can only be made using good ingredients. The Company abides by the principle of source control, and the raw materials for current products mainly come from domestic sources while some are supplied from abroad. Several high-quality suppliers have had transactions with our Company for many years. Therefore, the quality and delivery times of their raw materials are stable. Sales are handled by subsidiary Pin-Tai Distribution Enterprise Co., Ltd.

3. Product development trends and competitive landscape:

Oil products: Following the impact of oil safety incidents, provide safe and healthy oils and establishing consumer trust are important issues. High quality oil with high nutritional value has become a market trend. With the high growth of high priced oils such as olive oil, rice bran oil and grapeseed oil, the Company will develop appropriate business strategies in response to market trends.

Feed products: Climate change and environmental protection issues have caused difficulties in feeding. Breeders mostly improve water quality and management to increase production efficiency. Only products and services that enable breeders to substantially reduce costs and increase profits will be favored by customers. In the future, integration of the food chain and creation of a win-win situation will be the goal of the joint efforts of feed manufacturers and farmers.

We at the same time encourage fishermen to reduce labor and plastic bag costs, while abiding by the ESG concept of environmental sustainability by switching from bagged feed to bulk feed. In 2022, we successfully

reduced 5,892 kg of plastic.

Food products: The domestic market is lively, new products are introduced, and major competing product manufacturers are investing in brand resources. As the production costs of raw materials increases year by year, beverage products are highly replaceable and have short life cycles. In the current situation where sales channels require continuous gross profit improvement, Taisun still insists on innovation, insight into consumer trends, and development of products that are natural and healthy and that keep up with and create new trends. In particular, as we abide by food safety regulations, we never slacken our efforts in ensuring product quality and monitoring the sources of raw materials and processes, and we continue to supply consumers with high-quality and trustworthy products.

(III) Technology and R&D Overview

1. Technical level of the business

The Company's management systems and products have been verified through programs such as the National Quality Award (NQA), Taiwan Quality Food Association (TQF), the Hazard Analysis Critical Control Point (HACCP) designation, and the Foundation for Food Safety Certification (FSSC 22000). Its health food brands of oil products and hot-filled bottle low-acid tea beverages have obtained US FDA approval for export; it has obtained the certification of the food industry's hygiene management food safety systems, environmental protection packaging water carbon footprint verification, halal certification, and Anti-Additive Association.

In order to comply with international trends and customer requirements, the entire production lines of the food factory and food factory III and the oil factory have obtained the SQF9.0 certification to strengthen source management. Furthermore, its products have more stringent food safety quality standards and have been certified by GFSI, Aligning with international standards and driving the business to produce and sell products globally. We continue to strive for verification and award certificates of related management systems, and with such rigorous management systems and verifications serving as the company's product quality assurance, we will increase the Company's product power to win the trust of society and of customers.

In a bid to enhance the lab's testing professional capability, meet the requirements of quality consistency and improve the Company's corporate image, we have introduced the ISO/IEC 17025 Testing Laboratory and was certified by TAF on June 15, 2021.

2. Verification of the construction of the pig production traceability system:

A. The Beidou Livestock Farm obtained National Animal Husbandry Foundation production background verification in September 2009 and is subject to verification each year. The production process of pig raising, vaccination, and feeding is made open and transparent to offer consumers our quality assurance. 2022/07/26 Validation is again passed by the National Animal Industry Foundation.

B. Regarding Taisun brand pork verification, it passed Carrefour CQL international quality certification in 2014. Together with Shang Lee slaughtering and cutting technology, Carrefour's management in France verifies its validity every two years, and it has already been sold in the Carrefour Free Brand Market.

C. 2022/12/31 Beidou Farm received the Excellent Meat Award by Changhua Meat Market.

3. Research and development

The Company continues to invest capital and manpower to develop new products and improve process technology. Furthermore, it seeks to master the source quality of formula raw materials. In response to future market demand, it promptly launches new products that meet hygiene, health and safety requirements, and that grasp the best profit opportunities.

4. Successfully developed technologies or products in the most recent year

Year	R&D results
2020	(1) Cool food: IP Summer Limited Edition Grass Jelly, IP Brown Sugar Fresh Milk Tea, IP Classic Milk Tea, IP Osmanthus Black Tea, IP Double Thai Milk, Grass Jelly Taro Milk Tea (2) Food temperature food: Strawberry Black Tea for Audit Consumers, Grape Black Tea or Audit Consumers, Lemon Black Tea for Audit Consumers, Barley Black Tea, Barley Green Tea, Lemon Water, Oatmeal with Chickpea, Mixed Congee Pumpkin & Quinoa (3) Sparkling Water: Lemon Sparkling Water, Mango Sparkling Water
2021	(1) Refrigerated food: IP Agar Winter Melon & Lemon QQ and PE Original and Unsweetened Almond Milk (2) Room temperature food: Mesona Tea, Nine0 Theory, Sea Salt Lychee, Honey & Lemon Water, PET Passionate Black Tea for audit consumer, Fresh Orange Green Tea (3) Sparkling water: Fruit Vinegar Bubble Drink, Cheers Lemon (4) BIB beverage machine concentrate: Apple Flavor Vinegar
2022	(1) Refrigerated food: PE nut effect almond milk (oat granules) (2) Room temperature food: Salt Supply - Lemon, Fresh Fruit Water - Strawberry, Adult Series PET bottle - Pineapple Tea, Green Plum Tea, Honey Scented Black Tea, Oatmilk Peanut Soup (3) Commercial food (No. 1 can B): Longan Purple Rice Red Bean, Longan, Tremella, Lotus Seed, and Red Dates Soup (4) Oil for business channel: Taisun cooking oil (18L)

5. Research and development expenses invested by the Company in the most recent year and up to the publication date of the annual report

Unit: NTD thousand

Year	2022	2023 as of April 30
Total cost	19,177	6,664

(IV) Long-term and short-term business development plans

1. Long-term business development plan

Oil products: Imported the international food safety and quality management system SQF (SafeQualityFood) and improved the oil product line to become a comprehensive and safe edible oil supplier. We upheld corporate social responsibility and our oil product specialization. Through innovative marketing methods, we are committed to promoting healthy oil knowledge, establishing a secure professional image in our oil products, and enhancing consumer preference and trust in the brand. We aspire to allow Taisun's edible oil enter every household in Taiwan and become a model of oil safety, and then to become the first choice of consumers, restaurants and food factories when buying edible oil.

Feed products: We imported the international food safety quality management system SQF (Safe Quality Food) in April 2016. We strive to establish a reliable feed image, with higher value towards the expanded aquatic feed market, enhancing our brand image, increasing market share, and actively cooperating with refrigeration factory operators to increase the price of fish to buy to create a win-win situation.

On June 16, 2020, Taiwan was removed from the list of food-and-mouth epidemic country, and in response to the import of U.S. pork in 2021, the Breeding Division of Taisun teamed up with Shanglee Foods. On

October 22, 2020, Carrefour announced the introduction of the “block-chain technology” for its strictly selected pork sold in its stores. With its independence, traceability and transparency, coupled with the optimization of pasture, farming management, meat processing and storefront sales, a more comprehensive traceability is created. Since October 2020, Carrefour CQL pork farming management includes food inspection, water quality inspection, vaccine and medication tracking. Feeds for each stage is ensured that it meets the needs of different pig ages, and hormones or growth hormones are strictly banned. The source and composition for feeds or medicine used in the feeding process are known and traceable. Through scanning the QR code, consumers can learn about the information in relation to pork from the farm to the processing and slaughtering, allowing peace of mind when consuming meat.

In March 2021, Carrefour started to use skin packaging (reduced plastic) for the sale of pork, the

SHANG LEE FOOD CO., LTD. that the Beidou farm cooperates with began official production in March 2021.

On October 23, 2022, we participated in the Carrefour Food Transformation International Competition to vote in the "Carefully Selected Pork" competition.

Food products: The Company’s food products are mainly for the domestic market, and are actively customer-oriented towards natural health and development of high value-added products without additives or changes in innovative materials. We seen to expand brand market share, improving the Company's overall operating income and taking into account the optimal gross profit contribution. The business side is more actively deploying and integrating investment resources, improving the cost-effectiveness of the channel and further consolidating profits. To respond to international environmental protection trends and the issue of plastic reduction to protect marine life, we have built a new generation of iron and aluminum can production line to deepen the Company’s manufacturing strengths to make canned drinks.

2. Short-term business development plan

Oil products: In response to consumer trends, we focus on the development of high-priced good oil and continue to expand the sales volume of Taisun rice bran oil and sunflower oil with a health label, accumulate the image of the professional oil selected by chefs, and continue to study cooking oils with healthy concepts while maintaining the Company's leading position in the edible oil market.

Feed products: We proactively develop expanded feed market and strive for product diversification. ESG environmental sustainability-related plastic reduction issues include:

1. Reduce plastic packaging for raw materials and switch to bulk materials.
2. We at the same time encourage fishermen to reduce labor and plastic bag costs, while abiding by the ESG concept of environmental sustainability by switching from bagged feed to bulk feed.

Food products: The brands Cheers, Taisun Bing Jeon, and Taisun Pure Water are the main brands of packaged water beverages. And we continue to cultivate the energy drink market with the BUFF dual-effect beverage, bringing positive energy to consumers who need refreshment and a wide-awake outlook. With the popularity in sports exercises, our Salt Supply product

is based on salt as the appeal for differentiation in entering the sports supplement beverage market. In addition to creating new brands, the company also continues to innovate classic brands. The "Taisun Fresh Fruit Water" is closer to the health and low-sugar needs of consumers today with the introduction of low-calorie refreshing honey lemonade.
Subvert the traditional peanut soup flavor and use oat milk as the base to launch "Taisun Oat Milk with Peanuts" to open up a new dessert market. The "Nuts Effect Almond Milk" has just launched its oat granules and almond milk. Combining the dual nutrients of nuts and oats, one bottle of the drink can satisfy the daily requirements for Vitamin E and help the body with anti-oxidation. In 2022, the Company will distribute Sunkist's for the first time. In addition to consolidating performance in the food and beverage market, the Company will also expand into modern channels and new channels to rejuvenate the brand.

II. Market, production, and sales overview

(I) Market analysis

1. Main goods (services) sold (provided) by region

Region / Product name	North	Central	South	East	Exported
Cooking oil	48%	43%	9%	(Included in South)	—
Soy flour	0%	98%	2%	—	—
Feed products	12%	26%	62%	—	—
Food and beverages	54%	22%	5%	(Included in South)	**19%**

2. Market share

(1) Household oil products, 11%
(2) Food products (snacks), 49%

3. Future supply and demand conditions and market growth

(1) In respect to oil products, Taisun obtained international SQF certification in 2014, providing consumers with a safe choice to connect with international standards. We also became the first company to obtain halal certification in 2017 for our household oils, demonstrating values of mutual respect in a multicultural society. Taisun has been making a variety of oils for over 70 years and thanks to its expertise, Taisun has the most comprehensive production lines in the industry. At Taisun, we strive for food safety and are dedicated to promoting healthy oil knowledge, thus building ourselves a professional imagine also known as “Taisun - the all-around oil specialist”, insisting on providing consumers with alternatives that they can rely on.

(2) Feed products:
In terms of the future supply and demand situation and growth of the market, we will research and develop feeds that pose no contamination on water quality with natural raw materials and the latest equipment and technology. We will also enhance the palatability and flavor of feeds, so that the fish can maintain their health and energy, which will allow them to fully consume feed nutrients. We will do our utmost to maintain the safety of feeds while also providing a friendly breeding environment to improve product value and stable revenue.
According to the survey of feed production in Taiwan by the Council of Agriculture

Executive Yuan, the market share is approximately 4%-5%.

(3) The overall domestic food and beverage industry market is active as major competing brands also continue to develop new products and invest in their brands. In terms of strengthening the market share of our existing brands, we aim to make our brands more efficient through advertising investment. We will concentrate on the management of existing brands such as Taisun Bing Jeon, Pure Water, Cheers, Mixed Congee, Grass Jelly, Salt Supply, BUFF, Nuts Effect Almond Milk and Sunkist. In 2022, our Bing Jeon brand continued the theme of “My Turn” communicates with the younger consumer group. Our Taisun Pure Water has been promoting the public welfare idea of “Taisun for Taishan” since 2019 and has been sponsoring elementary schools, junior high schools and senior high schools in Taishan District by providing subsidies and making sports towels and jerseys, making a contribution when it comes to nurturing new sports talents in Taiwan. The limited-time new product of Taisun Grass Jelly has created new highs in the popularity and discussion on the Internet, and the effect of brand rejuvenation has gradually emerged. The Health Promotion Administration recommends eating 1 tbsp of nuts a day in its dietary guidelines, as they provide powerful nutrients for health, prevent chronic diseases such as cardiovascular disease, and help maintain good health. In consideration of the inconveniences for consumers daily nuts intake, Taishan's first refrigerated almond milk brand, "Nuts Effect Almond Milk", has been recognized by many fans as it is convenient for consumers to supplement the nutrition of nuts with "drinking the nut".

BUFF has grasped the rising trend of energy drinks and launched products with taurine and vitamins B to provide consumers with the energy and nutrients they need. In 2022, the Company distributes Sunkist's for the first time, to consolidate the performance of the existing food and beverage channels and expand new channels to attract more young consumers to purchase.

4. The Company's competitive niche

(1) Excellent management team and a corporate culture of honesty and integrity

The company’s management team upholds a corporate culture of honesty and integrity. In addition to superb performance in business management, social responsibility and research and development capabilities, it can actively collect information, analyze consumer preferences, fully grasp consumer trends, and quickly enter niche markets. Although our Company falls within a traditional industry, in recent years it has actively recruited outstanding talent in the market. It continues to carry out organizational reform and corporate culture reengineering, with focus, chain repair, and results as the themes of reforms, periodically stimulating our continuous learning and growth.

(2) Excellent partners

The Company has excellent partners in manufacturing, marketing, research and technology development. Through the horizontal and vertical integration of resources, the most effective economic investments are used to create the highest value.

(3) Consumer-oriented product development

The Company is consumer-oriented and provides safe and excellent food and oil products that meet consumer needs. We constantly observe the pulse of society, collect market-related information to analyze and judge consumer preference trends, and actively develop products that cater to consumers' potential demand. We do so in order to enhance consumers' trust in the company, and to deepen brand loyalty and popularity, and strive for innovation and sustainable operations.

(4) Sound and complete marketing channels

The company has a sound and well-populated sales channel network, including

modern and traditional channels such as CVS, mass merchandising, supermarket stores, and distribution, with products all over the country. In addition, the catering industry and e-commerce platform channels are actively developed, the sales network is more comprehensive, and the channels are effectively integrated to improve operating efficiency and efficiency.

(5) Perfect quality management and system verification

The Company’s management systems and products have been verified through programs such as the National Quality Award (NQA), Taiwan Quality Food Association (TQF), the Hazard Analysis Critical Control Point (HACCP) designation, and the Foundation for Food Safety Certification (FSSC 22000). Its health food brands of oil products and hot-filled bottle low-acid tea beverages have obtained US FDA approval for export; environmental protection packaging water carbon footprint verification, halal certification, and Anti-Additive Association.

In order to comply with international trends and customer requirements, we are striving for laboratory certification preparation and verification of related management systems. The entire production line of the food factory and food factory III and the oil factory has obtained SQF9.0 certification, strengthened source management and rigorous food safety quality standards, and has been certified by GFSI, which is in line with international standards and drives the company's product sales worldwide.

In regard to certification of Taisun brand pork, the Beidou Livestock Farm obtained National Animal Husbandry Foundation production background verification in September 2009 and is subject to verification once a year. The production process of pig raising, vaccination, and feeding is made open and transparent to offer consumers our quality assurance. Furthermore, it passed Carrefour CQL international quality certification in 2014. Together with Shang Lee slaughtering and cutting technology, Carrefour's management in France verifies its validity every two years, and it has already been sold in the Carrefour Free Brand Market. With this rigorous management system and verification in place as the Company’s product quality assurance, it increases the Company's product power to win the trust of society and customers.

5. Development outlook advantages, disadvantages, and measures taken in response:

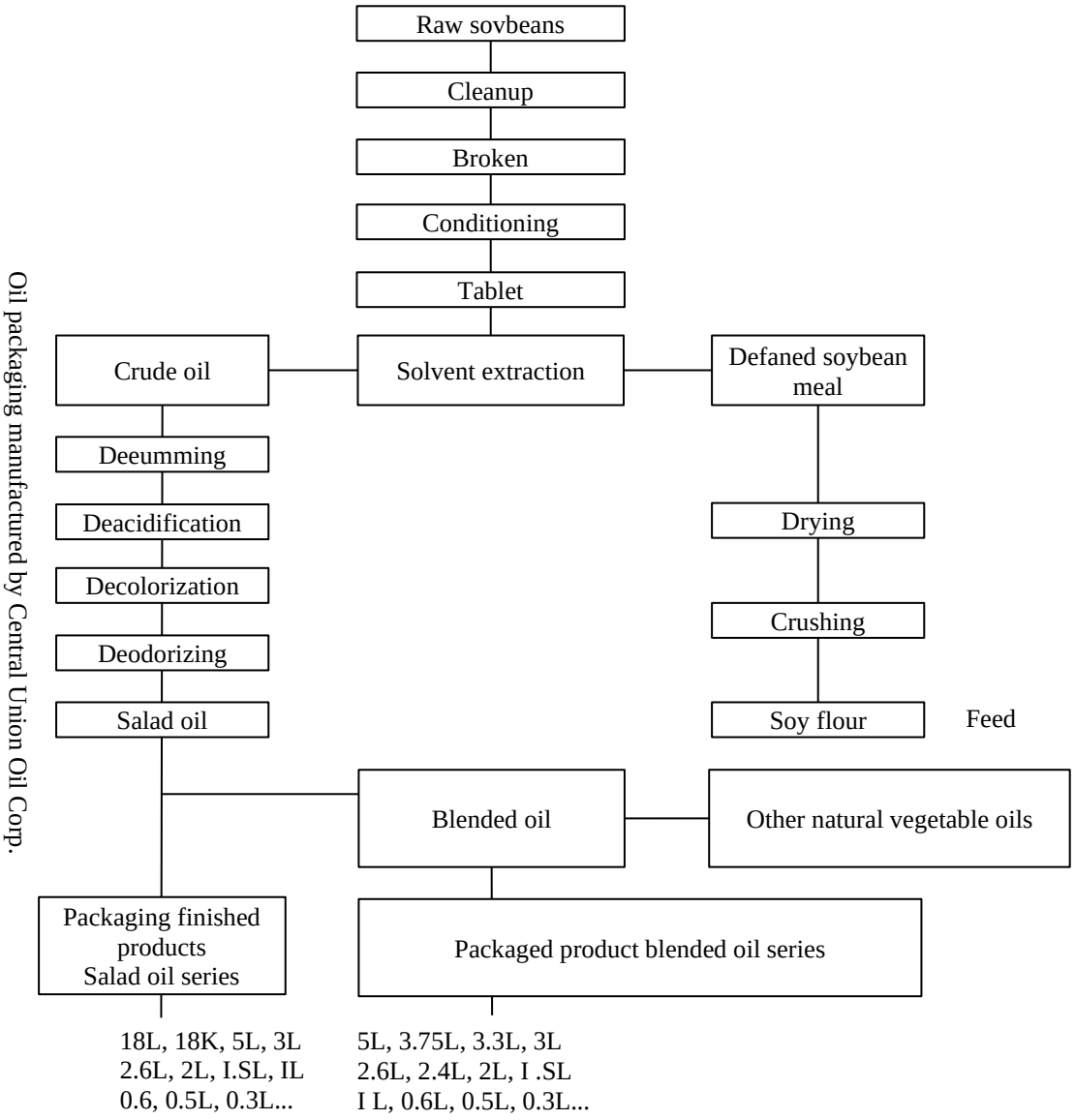
Industry	Advantages	Disadvantages	Measures taken in response
Oils	A. Our oil plant has obtained the highest third-tier level of international SQF certification in addition to earning halal certification. Food safety and quality lead the industry in line with international standards. B. Health awareness is rising, consumers are more accepting of the price of oil products, and they are willing to prudently choose good quality oils. C. Edible oil has stepped out of the bottom of the food safety valley, and its usage habits have changed as consumers' health awareness increases, making health-oriented, small packaging, and high-quality the mainstream of the oil market.	A. The main raw materials are imported from abroad, and the price of raw materials is easily affected by fluctuations in the international market and the cost is high. B. The soybean processing industry is more easily affected by overall domestic supply and demand. C. The household oil market has matured, and overall sales growth has slowed down. D. The oil safety incident caused consumers to trust foreign brand oil products and it has not been easy to promote local brands.	A. Establish a professional procurement team, grasp the dynamics of international market information, and respond to the risk of price fluctuations. B. Grasp product import and export opportunities in response to changes in overall domestic supply and demand and international market conditions. C. Continue to research product innovation, bring health concepts into new products, enhance brand value, and strengthen marketing. D. Establish an image of peace of mind and trust with international food safety and quality certification.
Feed	A. The depreciation cost of the equipment of the feed factory is relatively low, and the manufacturing cost is relatively low, so it is quite competitive. B. The sales and R&D system primarily rely on undergraduate-level professionals who can be more integrated into customer management and solve customer husbandry and management problems. C. The Tianzhong plant is equipped with advanced twin-shaft extruder equipment, which can produce aquatic floating feed with highly competitive quality. D. A netless grinder was installed at the Tianzhong plant to grind the feed into fine powder for the fish, so that it can be fully absorbed in the intestines to enhance quality competitiveness. E. The Taisun brand represents food that connects the feed end to the food pathway and creates value in the food chain. F. Introduce SAFESTART foreign safety training to improve personnel safety awareness and improve the safety environment. G. Establish an energy committee group to effectively reduce energy costs.	A. The factory is in the Central region, and is only relatively competitive in this region. However, as the main aquatic product market is in the South, it is not easy to compete with feed manufacturers in that region due to increased transportation fuel prices as impacted by COVID-19. B. The main raw materials wheat, soybeans and fishmeal are mostly imported from abroad, which are susceptible to fluctuations in the international market, and cost control is relatively difficult.	A. Transportation is concentrated in regional distribution, reducing the ratio of insufficient transportation volume to fill tonnage. B. In the off-season, flexible vacations will focus on production, and the M+3 demand will be stocked in advance to share the solid cost, and the burden of stocking in the peak season will be reduced. C. Master the quotations of international wheat, rapeseed meal, domestic rice bran, flour, and fishmeal every week to track and aggregate trend analysis charts, and report and place orders to reduce purchase costs. D. Rental of aquatic feed warehouses for finished products to facilitate distribution needs.
Food and beverages	A. With more than 13 major brands, the quality is trusted by consumers, including Taisun Mixed Congee, Taisun Grass Jelly, Taisun Pure Water, Taisun Bing Jeon, Taisun TwistWater, Cheers, Cha Chi Chu, Big Straw, BUFF, Nuts Effect Almond Milk, Salt Supply, Jenguyi Mixed Congee Pumpkin & Quinoa, Sunkist and so on. B. Possessing professional and exclusive technology and equipment in the field of highly technically proficient canned sweets and granular beverages. C. Proactively develop new products, new brands and replicate successful experiences in order to create food and beverage experiences that exceed consumer expectations. D. Adopt a centralized and more effective marketing communication method. E. Enter into aluminum can and gas technology.	A. The scale of modern channels is expanding day by day, and the requirements for channel costs are constantly increasing. B. Food and beverage entry barriers are low and competition is fierce. C. Brand investment costs are high. D. The cost of packaging materials and raw materials is rising.	A. Integrate channels and brand investment resources and supporting facilities to improve cost-effectiveness and achieve profit targets. B. Persist in the development of new products that are natural and healthy with few additives, and ensure a safe and reliable source of raw materials. Enhance the sense of product value, and create differentiation. C. Closely monitor the cost trend of raw materials and respond as soon as possible to reduce adverse effects.

(II) 1. The purposes and production processes of our main products:

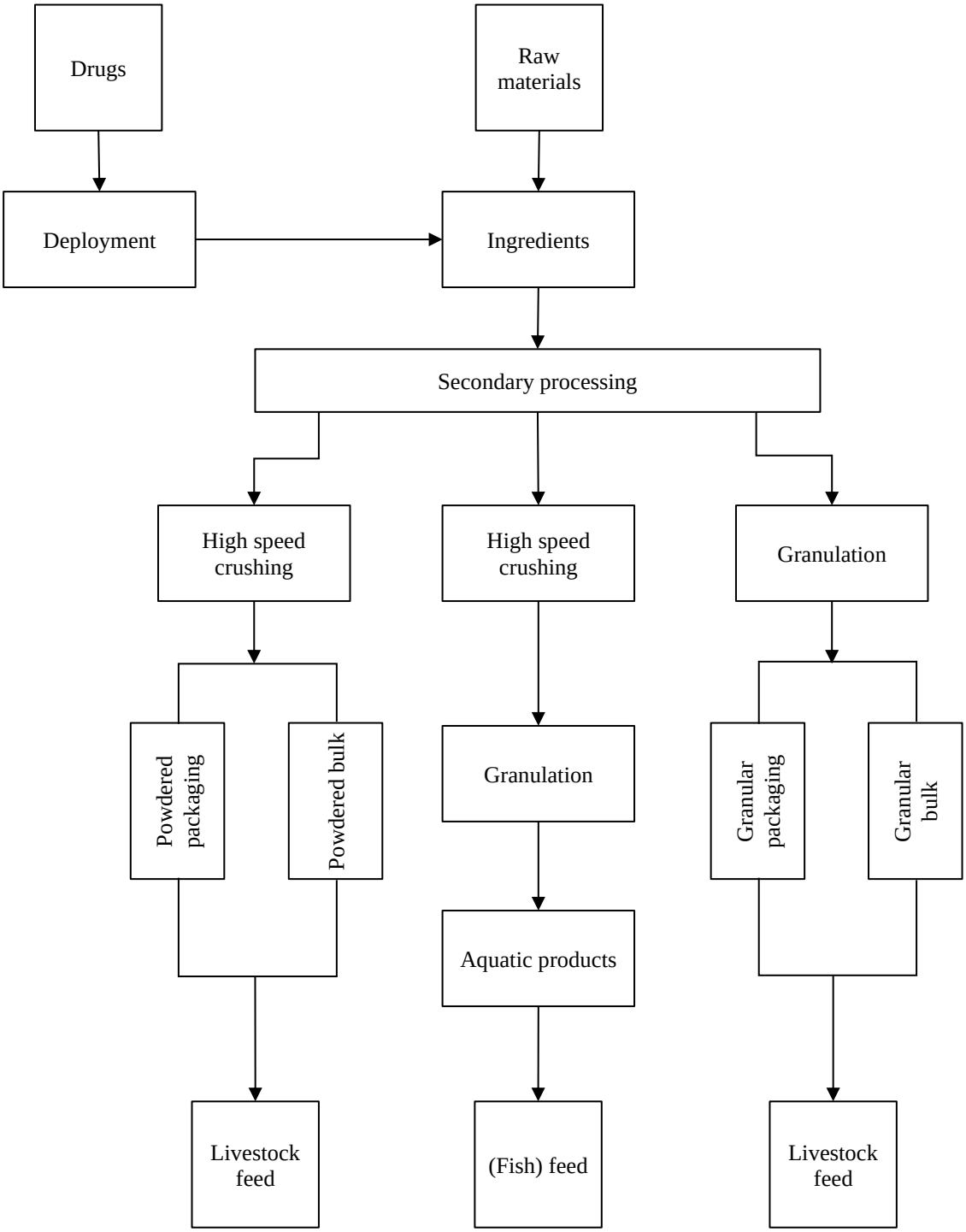
- Oil products: Soybean flour (for feed ingredients), salad oil (for household and restaurant cooking).
- Feed products: Various forms of aquatic feed.
- Food and beverages: Snacks that can be eaten when opened, and thirst quenching solutions in an open bottle.

2. Production processes of main products

(1) Production process of the oil factory

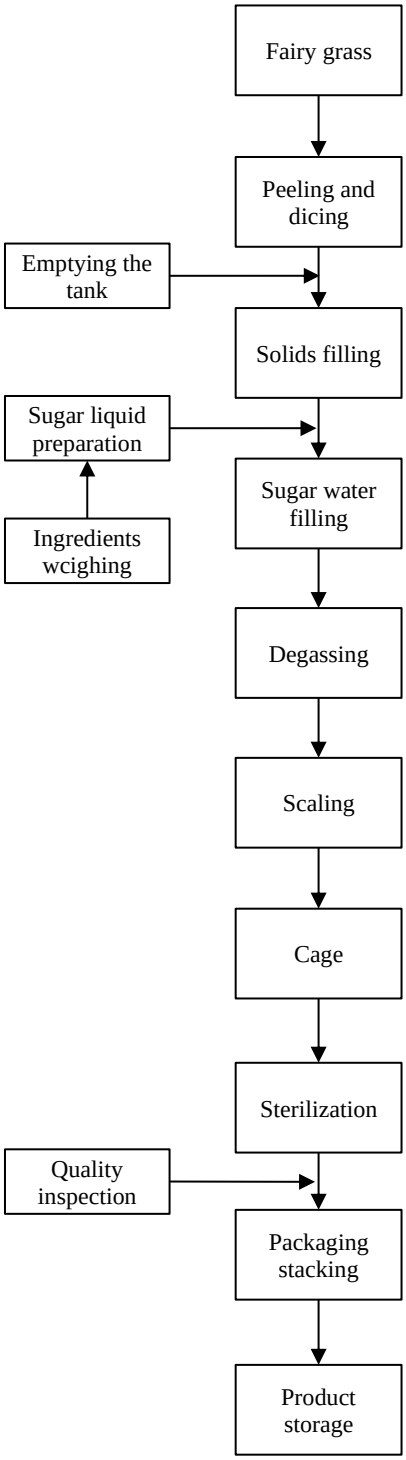


(2) Production flow chart of feed factor

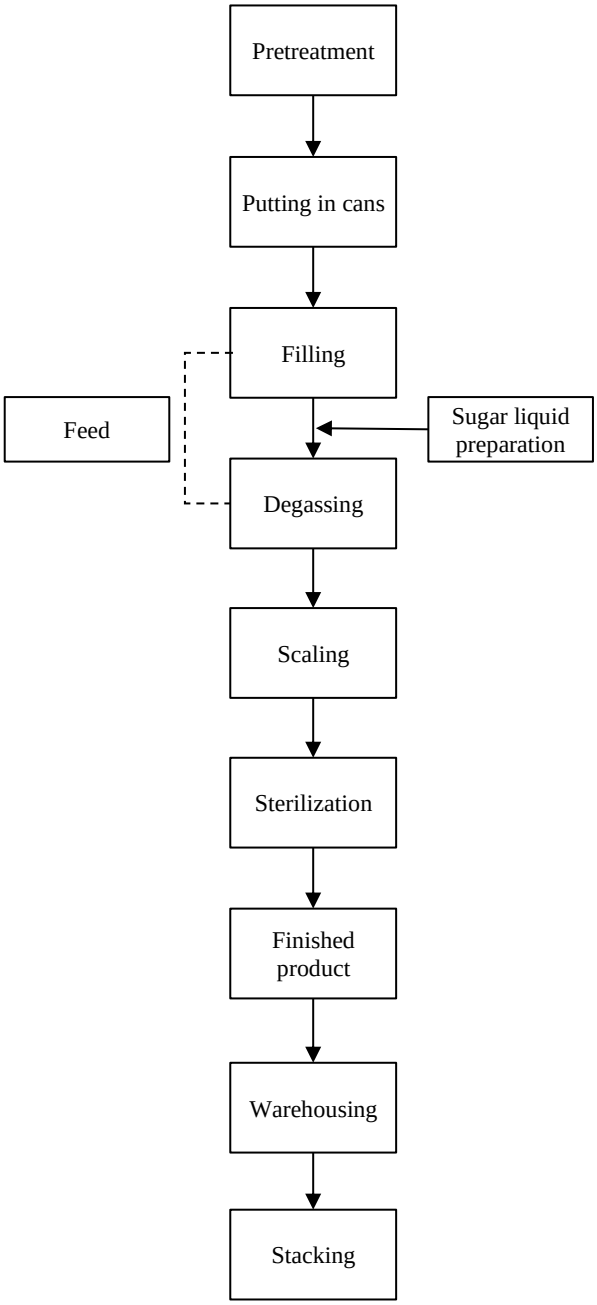


(3) Process drawing of main products of food fac tory

A. Grass Jelly



B. Mixed congee



(III) Supply status of main raw materials

The main raw materials of the Company's food and beverage products include peanuts, red beans, dried longan, dried grass, sugar, mung beans, etc. The supply sources are mainly domestic and some are imported. The raw materials for oil products are bulk materials, mainly soybeans. The supply of soybeans is from the U.S. and Brazil and imported or jointly purchased. The raw materials for feed products are wheat and soy flour; wheat is supplied from the U.S, while soy flour is supplied from Taiwan. Since the Company's bulk material and raw material suppliers are mainly international large grain groups or well-known trading companies, these companies not only generally value their original reputations, but also have numerous locations around the world, so they can offer in-depth understanding of the quality of raw materials. Furthermore, they can consistently provide raw materials that meet specifications.

(IV) The names of customers who accounted for more than 10% of the total purchases (sales) in any of the year in the most recent two years, their purchases (sales) amount and proportion, and the reasons for the increase or decrease.

(1) Information on major suppliers

	2021				2022				2023 as of the previous quarter (Note 2)			
Item	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of net purchases in the current year as of the previous quarter (%)	Relationship with the issuer
1	100188	869,156	10.96	Non-related person	100191	1,342,792	13.94	Non-related person	100189	624,964	28.98	Non-related person
2	100783	545,996	6.88	Non-related person	100195	829,017	8.60	Non-related person	500774	250,830	11.63	Non-related person
3	100702	531,460	6.70	Non-related person	100188	680,304	7.06	Non-related person	101053	147,716	6.85	Non-related person
4	Other	5,984,550	75.46		Other	6,782,951	70.40		Other	1,132,729	52.54	—
	Net purchase	7,931,162	100		Net purchase	9,635,064	100		Net purchase	2,156,239	100	—

Note 1: List the names of suppliers with more than 10% of the total purchases in the last two years and their purchase amounts and proportions. However, if the name of the supplier cannot be disclosed due to contractual agreements or if the transaction party is an individual and a non-related person, this can be disclosed with a code name.

Note 2: The first quarter of 2023 is accountant-reviewed financial information is available

Reasons for the increase or decrease of major purchasing customers from last year: The main suppliers all purchase soybeans, and the main system is through bidding. The main factors of change are due to the abundant supply of US West Coast goods and their relatively low quotations.

(2) Major sales customer data

	2021				2022				2023 as of the previous quarter (Note 2)			
Item	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of net sales for the year ended the previous quarter (%)	Relationship with the issuer
1	C0002	2,625,270	26.40	Related person	C0002	2,904,789	26.24	Related person	C0002	710,198	26.80	Related person
2	C1000-H002	732,226	7.36	Non-related person	C1000-H002	824,483	7.45	Non-related person	C1000-H002	191,976	7.24	Non-related person
3	C0003	389,980	3.92	Related person	100000145	378,112	3.42	Non-related person	1000000199	148,358	5.60	Non-related person
4	Other	6,197,502	62.32		Other	6,962,056	62.89		Other	1,599,275	60.36	—
	Net sales	9,944,978	100		Net sales	11,069,440	100		Net sales	2,649,807	100	—

Note 1: Note 1: List the names of customers with more than 10% of the total sales in the last two years and their sales amounts and proportions. However, if the name of the customer cannot be disclosed due to contractual agreements or if the transaction party is an individual and a non-related person, this can be disclosed with a code name.

Note 2: The first quarter of 2023 is accountant-reviewed financial information is available

Reasons for the increase or decrease in major sales customers compared with last year: There is a slight difference between major sales customers compared with last year mainly due to the impact of COVID-19.

(V) Production value for the last two years

Table on the production value for the last two years

Units: Thousand containers, tons, NTD thousand

Year / Production value / Major products (or department)	2022			2021		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Oil factory	240,000	229,697	6,248,492	240,000	229,613	5,153,486
Feed mill	36,000	16,677	422,595	36,000	16,833	369,448
Food factory	28,055	17,654	2,852,197	28,055	15,880	2,438,539
Service			390,856			387,881
Lease			1,222			1,392
Total			9,915,362			8,350,746

(VI) Sales volume and value for the last two years

Table for the sales volume and value for the last two years

Units: Thousand containers, tons, NTD thousand

Year / Value of sales volume / Major products (or department)	2022				2021			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Oil factory	232,286	6,268,442			243,900	5,671,054		
Feed mill	17,216	443,426			16,720	404,947		
Food factory	17,008	3,520,591	2,904	408,872	13,476	3,112,201	2,332	333,159
Service		415,876				415,952		
Lease		12,233				7,665		
Total		10,660,568		408,872		9,611,819		333,159

III. Data on employees in the most recent two years and as of the publication date of the annual report

Year		2021	2022	Current year ended March 31, 2023
Number of employees	Employee	610	599	600
	Technical staff	142	168	166
	Managers	184	187	188
	Total	936	954	954
Average age		42.57	42.83	42.83
Average years of service		10.06	9.88	9.94
Education distribution ratio	PhD	0%	0%	0%
	Master Degree	6.73%	6.92%	7.13%
	University	45.3%	45.39%	45.49%
	Senior High School	35.79%	36.37%	36.16%
	Below high school	12.18%	11.32%	11.22%

Note: Excluding contract personnel

IV. Environmental protection expenditure data

(I) The total amount of losses and sanctions incurred due to environmental pollution in the most recent year and as of the publication date of the annual report

Item \ Year	2022	2023as of the printing date of the annual report
Type of condition	Air Pollution Control Act	None
Sanctioning unit	Environmental Protection Bureau, Changhua County	None
Penalty amount	$510,000	$0

(II) Future measures to be made in response:

The Company's promotion and management of environmental pollution improvements:

1. Operation of environmental pollution improvements:

(1) At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO_2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials in 2020, we further improved the combustion rate. The slag output was significantly reduced by 65.57 tons, or 48%.

(2) In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the

manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA's stationary source emission standard amended on July 1, 2020, our food factory also began to use the light cracking oil since March 2020. Although such method is only for short-term, it required no equipment replacement to meet the air pollution standard.

(3) There are 4 qualified personnel in the production factory who have obtained the wastewater treatment certificate; 5 have obtained the air pollution prevention certificate; and 5 have obtained the waste disposal certificate, as the management of environmental protection operations in the plant.

(4) The food plant of the Company has conducted regular testing for the boiler steam generation process once every six months in November 2020, and the regular testing results have been reported online in December 2020. The reported SOx concentration correction value is 66ppm (emission standard: 50ppm of sulfur oxides), and the test result fails to meet the requirements of the boiler air pollutant emission standard, in violation of Article 20 Paragraph 1 and Paragraph 2 of the Air Pollution Control Act, a penalty of NT$510,000 was imposed in March 2022, plus 2 hours of environmental lecture.

2. Future improvements and practices:

(1) Promote energy-saving policies, implement various cost-saving projects, and take volume reduction and waste reduction as the phased goal, combined with the implementation of the 5S movement, to maintain the effective results of waste reduction and volume reduction.

(2) Promote the implementation of boiler efficiency improvement projects, with the main objective of improving efficiency and heat source recovery.

(3) Integrate the cooling water system of the factory area and plan the facilities for recycling and reuse.

(4) Continue to promote the weight reduction plan of product packaging materials and evaluate the feasibility of using environmentally friendly packaging materials.

(5)Proposed the renewal plan for the air pollution control equipment of bio-mass boiler, and it was completed in February 2023.

3. Estimated environmental protection expenditures in the next two years:

Year / Item	2022	2023
Equipment and operating costs	NT$3.92 million	NTD 33.4 million
Packaging material environmental protection fees	NTD 49.35 million	NT$51.82 million

4. Impact after improvement:

(1) Meet the Environmental Protection Administration's wastewater discharge water quality standards, and achieve the goal of zero pollution and zero environmental damage.

(2) Cooling water is recycled and reused to effectively use water resources.

(3) Reduce the amount of waste water produced and reduce the amount of discharge to save treatment costs.

(4) Reduce the use of product packaging materials, in line with the concept of environmental protection and energy saving.

(5) Boiler chimney emissions to comply with laws and regulations, effectively reducing air pollutants.

(6) To fulfill social responsibilities, enhance customers' trust in environmental protection and product quality, and further gain public recognition of the Company so as to increase product competitiveness and market share.

V. Labor relations

(I) The Company's various employee welfare measures, further education, training, retirement systems and their implementation, as well as the agreement between labor and management, and various employee rights protection measures

1. Employee benefits

(1) In order to provide diverse welfare measures and welfare subsidies applicable to all employees, we have established the Taisun Enterprise Co., Ltd. Employee Welfare Committee in accordance with the law, as well as the Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd. to handle various welfare projects. In addition to the welfare measures that comply with the law, we also have other welfare measures going beyond these requirements, such as lunch subsidies, employee dormitories and guest houses, flexible working hours, relaxation time, massage booths, and employee stock ownership trusts, in addition to employee emergency relief measures, and Employee Assistance Programs (EAP), satisfying employees' personal and family care needs and creating a happy workplace environment.

(2) In order to provide a comprehensive welfare system applicable to all employees, and to meet the needs of employees' personal and family care, the Company established the Taisun Enterprise Co., Ltd. Employee Welfare Committee and the Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd. We have set up the positions of committee members, director-general, and secretary in accordance with relevant regulations, have established a comprehensive welfare system for all employees, and have tried to take care of employees and their families. The Company allocates 0.05% of the total business to the welfare fund every month, and 0.015% of the employee’s salary is invested in the welfare fund every month as well. Furthermore, in accordance with management measures we provide marriage ceremony stipends, funeral subsidies, childbirth subsidies, housing subsidies, hospitalization condolences, natural disaster condolences, education grants, departmental vitality activities, cultural and recreational activities, club activities, Senior Citizens’ Day and New Year's Day gifts, and other special resolution subsidy projects.

(3) An Employee Stock Ownership Trust and Savings Association has been established to encourage employees to save long-term, improve financial management channels, and protect their future lives, and to invest in Company stocks as the main purpose. It has five members, and the members are elected by the general meeting to carry out conference affairs. Limited to regular employees who have served the Group for two years, they are allocated monthly from employee salaries, bonuses or other income. The Company's relative allocation ratio is adjusted annually according to the situation, at least 30% or more. Employees can still retain their membership after retirement. If they continue to serve the Company, they can continue to enjoy the Company's relative subsidy.

2. Talent cultivation and inheritance

In the knowledge-based economy era, human resource development is the foundation of a company's sustainable operation and growth. For external potential talents, we actively establish diversified recruitment channels to attract the right talents for the right places. For internal talents, we invest with our hearts and arrange diversified professional and management function training according to different job levels to enhance the competitiveness of employees.

In terms of education and training, in response to the Company's business philosophy (core functions - pragmatism, empathy, diligence), core values (reliability, innovation, team spirit), and vision (a good family), we conduct educational trainings

requirement survey analysis each year and prepare the budget based on the needs of each department to provide employees with comprehensive education and training resources. From new recruits to managers of all levels, the Company has a comprehensive training program designed to cover strategic, core, managerial, professional, general education, new recruits, and personal learning and growth. We have effectively improve the quality of the Company's human resources, enrich the knowledge, skills and attitudes employees are equipped with when performing various duties, and stimulate employees' potentials, so that the development of the Company is closely linked to the development of employees' talents.

Due to the COVID-19 pandemic in the first three quarters, the Company has reduced physical training courses but under the high level epidemic prevention measures, we continue to organize strategic courses for advanced and mid-level managers, courses on management for all management levels, professional functions, general education for all employees, new recruits training, online readings sharing and so forth diverse trainings. In 2022, a total of 21,132 people have completed the training, totaling 14,225.5 hours.

(1) Implement education promotion on "Ethical Corporate Management Best Practice Principles and Operating Procedures and Guidelines for Conduct", "Operating Procedure for Prevention of Insider Trading", "Declaration of Human Rights", "Sexual Harassment Complaint and Handling Procedure", and " Prevention Program for Unlawful Violence in the Performance of Duty". This is to prevent employees from breaching relevant laws and regulations accidentally or intentionally, resulting in litigation or damage to their reputation.

(2) Based on the essential points of continuing education for directors/supervisors of TWSE/TPEx-listed companies, so that directors/supervisors can meet the requirements for the number of years of continuing education and understand new investment trends, a course on "New Trends and Best Practice Principles of ESG Responsible Investment" was held.

(3) On par with future environmental protection, carbon reduction and global trends, we organized a strategic course on “Carbon Inventory Education and Training” and invited experts to guide the carbon inventory in order to build up basic management capability for carbon calculation. By doing this, we are able to facilitate effective carbon reduction management so as to work toward the goal of obtaining ISO 14064-1 international standard verification.

(4) In response to the amendments to the "Operational Guidelines for Preparation and Filing of Sustainability Reports by Listed Companies," the courses on "TCFD (Climate-related Financial Disclosures) and SASB (Perpetuity Accounting Standards Board)" and "Guidelines of GRI 2021" were held to improve the quality of ESG reports.

(5) To promote the Company's territory and explore new business opportunities, seminars were held on "Analysis of Local Creativity Films and TV Productions in Japan" and "Business Opportunities for Senior Citizens in the Local Creativity Era."

(6) In response to the start of the performance evaluation management to enable managers to conduct face-to-face communication with a positive attitude and from an objective point of view, a course on "Practical Skills in Performance Interview" was launched.

(7) In order to systematically translate professional knowledge and skills into standard courses, improve employees' ability to produce teaching materials, and develop online teaching skills, the "Internal Lecturer Training" course is held to standardize and systematize the Company's internal knowledge transfer.

(8) Implement health and safety education and training, including occupational safety and health courses for new recruits, workplace safety protection education and training, health seminars and other general courses, to improve employees'

awareness of work safety and health knowledge.

(9) In response to the epidemic driven by distance learning, we continue to use digital learning resources (Common Wealth Leader Campus) to meet the need for management functions of managerial employees and develop trend insight capabilities for supervisors. For non-managerial employees, we provide sources for self-learning channels in developing good habits of learning little by little.

■ **2022 Employee Training (Employee Type)**

Gender	No. of Persons	Persons/Hours	Supervisors	Production Personnel	Marketing Personnel	Administrative Personnel	Total	Average
Male	396	No. of Persons	9,374	2,193	929	1,082	13,578	
		Proportion	73.5%	55.6%	70.1%	34.7%	64.2%	
		No. of Hours	3,692.0	2,624.0	920.4	1,118.0	8,354.4	21.1
		Proportion	72.5%	57.9%	65.7%	34.7%	58.6%	
Female	265	No. of Persons	3,387	1,750	397	2,036	7,570	
		Proportion	26.5%	44.4%	29.9%	65.3%	35.8%	
		No. of Hours	1,402.2	1,910.6	479.5	2,099.5	5,891.9	22.2
		Proportion	27.5%	42.1%	34.3%	65.3%	41.4%	
Total	661	No. of Persons	12,761	3,943	1,326	3,118	21,148	
		No. of Hours	5,094.3	4,534.6	1,399.9	3,217.5	14,246.3	21.6

■ **2022 Employee Training (Function)**

Gender	Training System	Self-Motivation	Professional Functions	Liberal Education	Strategic	Newcomer Training	Management Functions	Total
Male	No. of Persons	53	244	12,978	81	153	69	13,578
	Proportion	50.5%	62.1%	64.5%	57.9%	55.6%	65.1%	64.2%
	No. of Hours	53.0	1,016.0	6,428.9	257.0	167.0	432.5	8,354.4
	Proportion	50.5%	60.8%	58.0%	57.2%	57.4%	67.0%	58.6%
Female	No. of Persons	52	149	7,151	59	122	37	7,570
	Proportion	49.5%	37.9%	35.5%	42.1%	44.4%	34.9%	35.8%
	No. of Hours	52.0	654.2	4,656.2	192.0	124.0	213.5	5,891.9
	Proportion	49.5%	39.2%	42.0%	42.8%	42.6%	33.0%	41.4%
Total	No. of Persons	2016	393	20,129	140	275	2017	21,148
	No. of Hours	105.0	1,670.2	11,085.1	449.0	291.0	646.0	14,246.3

3. Retirement system and implementation

Our retirement application and grant standards are handled in accordance with the “Labor Standards Act” and “Labor Pension Act”. Prior to retirement, we organize a farewell party for the employee who is due to retire and such employee will be awarded a “Taisun Achievement” medal as a token of our gratitude and blessings. Employees who opt for the new pension system - their years of service will be retained and their pension paid upon retirement in accordance with the Workers' Retirement Reserve Funds. The years of service for those who opt for the new system will be subject to the requirements of the “Labor Pension Act”, meaning 6% of their monthly pension contributions is paid to their personal labor pension account set up by the Bureau of Labor Insurance. Since 2020, wage contributions have been adjusted every three

months, better than twice a year prescribed by the law. In doing this, we ensure that the employees' retirement contributions are more consistent with their wages. Contributions for employees who opt for the old pension system are allocated in accordance with Article 56 of the "Labor Pension Act". At present, the account balance exceeds the demand by a large amount. In order to protect the rights and interests of our employees for their future retirement, 2% of their monthly wages is allocated to the pension reserve account of Bank of Taiwan. As the account has excess reserves, based on the idea of the revitalization of retirement management, and take into account operational needs, manpower needs and legacy, we consult employees who have served the Company for over 30 years for their willingness to be rehired after their seniority is settled by retiring. By taking this approach, employees are able to use their pension in advance and continue to work for the Company and be eligible for contributions under the new labor pension system.

4. Interaction between labor and management and various employee rights protection measures

The Company supports and implements relevant international norms and standards, as well as relevant laws and regulations on labor and gender equality in the places where it operates. Our management policies for promoting human rights and protecting labor rights are as follows:

(1) Protecting the rights and interests of employees: Regarding employees as the most important partners, all employees formally sign the "Employee Service Contract". In addition, employees are notified in advance prior to major operational changes that seriously affect the rights of employees, in compliance with government labor laws.

(2) Freedom of employment: forced labor and child labor are prohibited, and employees have the right to resign freely with reasonable notice.

(3) Eliminate unlawful discrimination to ensure equal employment: recruit suitable talent based on the principles of fairness, justice, and openness. The recruitment policy is based on equality of human rights. All candidates have equal opportunities and are based on the ability of candidates. There is no discrimination based on race, color, gender, religion, politics, nationality or social origin, or physical or mental disability.

(4) Respect for privacy: protect the legality of the collection and use of personal data, and use written documents to enable employees to understand, allow and agree to the purpose and category of the collection and processing of personal data, as well as the period, region, object and method of the Company's use of personal data, and the rights it can exercise.

(5) Compliance with basic salary requirements: Provide employees with minimum wages and benefits that meet or even exceed the minimum required by laws and regulations.

(6) Oppose bullying and harassment: do not force or coerce any unwilling person to perform labor services, and prohibit harassment, physical abuse, or threats.

(7) Provide a safe, hygienic, and healthy working environment: Continuously improve hardware facility standards and safety and health operating procedures, and actively construct a safe and hygienic working environment to prevent occupational injuries and diseases, and ensure labor safety and health.

(8) Create a happy workplace with work-life balance: use treatment of family members to promote health promotion activities and clubs to encourage colleagues to participate independently. Manage and analyze working hours and vacation status, reduce the risk of overwork, and implement the concept of "work-life balance".

(9) Support employee growth and career development: Provide training plans, training time and funding subsidies, encourage employees to take the initiative to

make arrangements, keep pace with the times, improve the completeness of capabilities, and develop suitable talent.

(10) Encourage employees to participate in public welfare and increase the influence of public welfare: uphold the spirit of "good for one family, good for all families" to encourage colleagues to participate in public welfare activities such as assisting community development and caring for the disadvantaged, improving quality of life, and passing on the power of a positive and good society.

(11) In order to achieve the purpose of full communication, symmetry of information, communication and response, and effective problem solving with employees, there are labor-management meetings, irregular departmental meetings, and symposiums held at least once a quarter; there is also an employee care complaint and ethical reporting mailbox (taisunhr1999@taisun.com.tw). At the same time, in accordance with the rights granted to employees by the law, the Company does not interfere or intervene in the freedom of association of its employees.

5. Protective measures for working environment and personal safety of employees

(1) Occupational safety and health committee: In order to ensure labor safety and implement disaster prevention management, the Company establishes an occupational safety and health management unit in accordance with the Occupational Safety and Health Act and related regulations. It is responsible for the formulation, planning, supervision, and promotion of occupational safety and health management. Furthermore, it guides relevant departments to implement safety and health education and training, protection against dangerous equipment, emergency response procedures, disaster prevention drills, and work safety analysis. The Company has established an Occupational Safety and Health Committee in accordance with the law. The main management framework of the Committee includes personnel management, equipment management and environmental management.

(2) Hazard prevention and health promotion: implement various job safety promotion and inspections to strengthen the awareness of the hazards faced by plant colleagues and the correct attitude of safety protection. Handle health and safety seminars and publicity of hazardous work lists to strengthen the safety awareness of specific objects, and establish a safety education and training system to achieve the safety of all employees at work. Include the implementation of the 5S campaign in the unit performance appraisal to improve the working environment. Perform emergency response simulation exercises (fire fighting, water cutoff, and power outages) to improve the effectiveness of protections. Conduct regular monthly inspections of the environmental sanitation and public safety of foreign workers' dormitories to enhance the protection of foreign colleagues' housing rights. Formulate four major emerging hazard prevention plans in the workplace to increase the importance of labor safety and health care.

(3) Employee safety management results: continuous presence of factory doctors and factory nurses for on-site services, nursing staff labor health services, visually impaired massage services and health check-ups, etc., to improve the level of employee healthcare. In respect to employee safety management, we check and improve fire protection measures to comply with fire protection regulations, learn from industry TPM experience and transform it into internal improvement motivation, and beautify the environment to enhance employee compliance.
According to the work attributes of employees, we provide regular education and training to ensure the personal safety of employees, such as firefighting first aid training, first aid personnel training, occupational safety and health training, plant safety training, etc. This covered a total 881 person-times and 1208.5 hours.

(II) Losses incurred due to labor disputes in the last two years and as of the publication date of the annual report, the estimated amount and corresponding measures that may occur at present and in the future: None.

VI. Cyber Security management

(I) Provides the cyber security risk management framework, Cyber Security Policy, specific management plans and cyber security management resources invested:

The Company has established an information security risk management framework and formulated an information security policy and specific management plan:

1. Cyber security management strategy and structure

(1) Information security organization and operations:

The Company's information security authority is the information department. There is also an information security management committee composed of personnel above the head level of the information department. Beneath them, there are information security task team, information security audit team, and emergency response team. These teams coordinate information security-related policy formulation, implementation, risk management and compliance audits. The top supervisor of the information security management committee reports to the Board of Directors on the effectiveness of information security management and information security-related issues and directions on an annual basis.

We implement the information security strategy formulated by the information security management committee to ensure that the internal personnel comply with information security-related guidelines, procedures and regulations. Furthermore, the information security management committee holds a review meeting every year to go over and resolve the information security policy, implementing the effectiveness of the security management measures. The information security audit performs an internal audit every year, while the Company's audit department performs an information security audit every year. If there is any deficiency, it is required to propose relevant improvement plans and report to the board of directors, and regularly track the improvement results to reduce internal information security risks. The operation and execution of information security risk management in 2022 will be reported to the Board of Directors on 2022/12/23.

(2) Information security policy:

The Company responds requirements of internal and external factors concerning cyber attacks, regulatory compliance, manufacturer cooperation regulations, internal and external risk control audits, and so on. In January 2018, based on ISO27001 and considering the Company's operating characteristics, it developed consistent and appropriate information security system documents and control measures covering information-related management links. This includes policies, organizations, personnel, physical environment, network security, operation management, access control, development and maintenance, information security incidents, disaster drills, etc. According to the planning, implementation, audits and action management cycle, the applicability of the information security policy and protection measures are examined. ❶Additionally, the implementation status is regularly reported back to the information security management committee to further ensure the continuous operation of business activities and the stable use of information services. ❷ Ensure the confidentiality,

integrity and availability of the information assets in custody, and protect the privacy of personnel data. ❸ Establish an information business continuity operation plan, and implement information business activities that meet the requirements of relevant laws and regulations.

(3) Specific management measures:

Type	Explanation	Related management measures
Authorization management	Personnel account, authorization management and system Measures for the management of operational behavior	Personnel account authorization management and review Regular inventory of personnel account permissions
Access control	Personnel access to internal and external systems and data Control measures for transmission	Internal/external access control measures
External threats	Channels of infection and preventive measures	Host/computer update measures Firewall protection Virus protection and malware detection
System availability	System availability and handling measures when service is interrupted	System/network availability status monitoring and notification mechanism Contingency measures for service interruption Local/remote backup mechanism Regular disaster recovery drills
Personnel training	Personnel information security awareness training measures	Information security advocacy education required for newly reporting personnel Regular company-wide information security advocacy Social engineering walkthroughs

2. Cyber security risks and response measures:

Although we have built network and computer-related information security protection measures, we will prudently response to the Company's computer systems with important operations and accounting and other functions for complete protection from network attacks by third-party systems. Under the situation of a serious cyber, our system may lose important company data and shipments may also suffer. Malicious hackers are able to attempt to import computer viruses and ransomware into our network systems to interfere with operations of the Company. They may also extort or blackmail to gain control over computer systems or to spy on confidential data. These attacks may cause the Company to suffer as a result of delayed or interrupted orders, leading to the Company having to compensate the customer for losses. As well as this, such occurrence may also expose the Company to liability with respect to legal investigations arising from leaks of information from employees, customers or third parties, to whom the company has a duty of confidentiality. At Taisun, we continue to review and evaluate our information security rules and procedures and introduce new technologies to enhance endpoint protection and information protection, strengthen employees' information security awareness and social engineering exercises. By making this effort, we ensure the suitability and effectiveness of the rules. We hope to ensure that the Company will not be impacted by new risks and attacks in the face of rapidly changing information security threats.

(II) Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated: None.

VII. Important contracts

Contract nature	Parties	Contract start and end dates	Primary content	Restriction clauses
Engineering contract	ShinChang Natural Gas Co.,Ltd.	2022.06.06~2023.06.05 (Two months prior to the expiry date, the extension will be automatically renewed for one year if there is no objection by both parties)	Natural gas equipment installation engineering	Not to be transferred or loaned to a third party
Engineering contract	UHO TECHNIQUE & ENGINEERING CO., LTD.	2022.12.20~2023.03.15	Replacement of 160HP dehydrator in a refrigeration line	
Procurement contract	Matsu Distillery	2022.09.01~2025.08.31	Matsu Distillery distribution	
Repayment of long-term borrowings	Jih Sun International Bank	2020.10.30~2023.07.21	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	Taishin Bank	2020.11.04~2023.11.03	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	DBS Bank	2021.10.15~2024.10.15	Credit loans	As stipulated in the credit agreement

Six. Financial Overview

I. Condensed balance sheet and income statement for the most recent five years

(I) Condensed balance sheet and statement of comprehensive income data

1-1 Condensed balance sheet: International Financial Reporting Standards (consolidated statements)

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the current year as of March 31, 2023 (Note 4)
		2022	2021	2020	2019	2018	
Current assets		12,100,730	4,581,044	3,218,671	3,561,612	3,311,667	No relevant information
Disposal of property, plant and equipment (Note 2)		1,988,740	1,947,298	1,798,417	1,714,062	1,680,695	
Intangible assets		612	1,869	4,411	7,045	11,035	
Other assets (Note 2)		2,564,522	4,108,065	4,218,766	3,946,628	3,803,605	
Total assets		16,654,604	10,638,276	9,240,265	9,229,347	8,807,002	
Current liabilities	Before distribution	3,856,578	2,361,918	1,375,246	1,698,218	2,016,635	
	After distribution	(Note 3)	2,861,917	2,075,245	2,148,217	2,416,634	
Non-current liabilities		230,167	1,285,231	833,417	925,956	387,658	
Total liabilities	Before distribution	4,086,745	3,647,149	2,208,663	2,624,174	2,404,293	
	After distribution	(Note 3)	4,147,146	2,908,662	3,074,173	2,804,292	
Shareholders Equity Attributable to Parent Company		12,562,672	6,985,982	7,026,465	6,599,888	6,397,441	
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	4,999,990	
Additional paid-in capital		1,006,742	993,134	974,083	961,786	950,900	
Retained earnings	Before distribution	6,731,611	1,302,687	1,332,145	949,056	774,810	
	After distribution	(Note 3)	802,688	632,146	499,057	374,811	
Other equity interest		28,205	(105,953)	(75,877)	(107,068)	(124,383)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Non-controlling interests		5,187	5,145	5,137	5,285	5,268	
Total equity	Before distribution	12,567,859	6,991,127	7,031,602	6,605,173	6,402,709	
	After distribution	(Note 3)	6,491,128	6,331,603	6,155,174	6,002,710	

Note 1: All annual consolidated financial reports have been verified by accountants.
Note 2: No asset revaluation was conducted in any of these years.
Note 3: The profit distribution proposal for 2022 has yet to be approved by the shareholders meeting.
Note 4: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2023.

1-2 Condensed balance sheet: International Financial Reporting Standards (unconsolidated statements)

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)					Financial information for the current year as of March 31, 2023 (Note 4)
		2022	2021	2020	2019	2018	
Current assets		11,465,758	4,100,485	2,874,130	3,244,320	3,114,566	Not applicable
Disposal of property, plant and equipment (Note 2)		1,731,135	1,677,382	1,529,582	1,427,406	1,382,914	
Intangible assets		519	1,730	4,225	6,911	9,998	
Other assets (Note 2)		3,023,193	4,446,681	4,427,100	4,064,457	3,880,765	
Total assets		16,220,605	10,226,278	8,835,037	8,743,094	8,388,243	
Current liabilities	Before distribution	3,431,179	1,963,540	982,967	1,228,206	1,617,519	
	After distribution	(Note 3)	2,463,539	1,682,966	1,678,205	2,017,518	
Non-current liabilities		226,754	1,276,756	825,605	915,000	373,283	
Total liabilities	Before distribution	3,657,933	3,240,296	1,808,572	2,143,206	1,990,802	
	After distribution	(Note 3)	3,740,295	2,508,571	2,593,205	2,390,801	
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	4,999,990	
Additional paid-in capital		1,006,742	993,134	974,083	961,786	950,900	
Retained earnings	Before distribution	6,731,611	1,302,687	1,332,145	949,056	774,810	
	After distribution	(Note 3)	802,688	632,146	499,057	374,811	
Other equity interest		28,205	(105,953)	(75,877)	(107,068)	(124,383)	
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)	
Total equity	Before distribution	12,562,672	6,985,982	7,026,465	6,599,888	6,397,441	
	After distribution	(Note 3)	6,485,983	6,326,466	6,149,889	5,997,442	

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: No asset revaluation was conducted in any of these years.
Note 3: The profit distribution proposal for 2022 has yet to be approved by the shareholders meeting.
Note 4: There is no unconsolidated financial report for the first quarter of 2023, so it is not applicable.

2-1 Condensed statement of comprehensive income: International Financial Reporting Standards (consolidated statements)

Unit: Except for earnings per share, all items in the table are NTD thousand

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2023 (Note 2)
	2022	2021	2020	2019	2018	
Operating revenue	11,069,440	9,944,978	8,356,125	8,000,584	7,901,670	No relevant information
Operating margin	1,445,589	1,536,158	1,640,499	1,455,470	1,432,073	
Operating income (loss)	(392,382)	209,357	316,542	160,207	90,336	
Non-operating revenue and expenditures	6,6035,32	426,279	589,508	461,429	401,124	
Net profit (loss) before tax	6,211,150	635,636	906,050	621,636	491,460	
Net profit (loss) for the period from continuing operations	5,918,572	592,011	851,541	582,201	464,682	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	5,918,572	592,011	851,541	582,201	464,682	
Other comprehensive incomes in current period (net of taxation)	130,052	48,669	12,979	9,506	(30,038)	
Total comprehensive profit and loss for the current period	6,048,624	640,680	864,520	591,707	434,644	
Net profit attributable to owners of the parent company	5,918,495	591,827	851,078	582,073	464,443	
Net profit attributable to non-controlling interests	77	184	463	128	239	
Total comprehensive profit and loss attributable to the owners of the parent company	6,048,582	640,465	864,279	591,560	434,433	
Total comprehensive profit and loss attributable to non-controlling interests	42	215	241	147	211	
Earnings per share	12.17	1.22	1.75	1.2	0.98	

Note 1: All annual consolidated financial reports have been verified by accountants.

Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available forthe first quarter of 2023.

2-2 Condensed statement of comprehensive income: International Financial Reporting Standards (unconsolidated statements)

Unit: Except for earnings per share, all items in the table are NTD thousand

Item \ Year	Financial data for the last five years (Note 1)					Financial information for the year ended March 31, 2023 (Note 2)
	2022	2021	2020	2019	2018	
Operating revenue	9,615,949	8,622,713	7,140,795	6,837,543	6,813,636	Not applicable
Operating margin	882,066	1,015,577	1,157,324	1,008,828	998,402	
Operating income (loss)	(500,290)	111,324	235,850	117,174	65,305	
Non-operating revenue and expenditures	6,706,533	516,800	664,282	494,545	421,301	
Net profit (loss) before tax	6,206,243	628,124	900,132	611,719	486,606	
Net profit (loss) for the period from continuing operations	5,918,495	591,827	851,078	582,073	464,.443	
Losses from discontinued business units	—	—	—	—	—	
Net profit (loss) for the current period	5,918,495	591,827	851,078	582,073	464,443	
Other comprehensive incomes in current period (net of taxation)	130,087	48,638	13,201	9,487	(30,010)	
Total comprehensive profit and loss for the current period	6,048,582	640,465	864,279	591,560	434,433	
Earnings per share	12.17	1.22	1.75	1.2	0.98	

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: There is no unconsolidated financial report for the first quarter of 2023, so it is not applicable.

(III) Names and audit opinions of accountants in the last five years

Year	Name of CPA	Auditor opinion
2018	Chih Shih-Chin, Chen Chia-hsiu	Unqualified Opinion
2019	Chih Shih-Chin, Chen Tsong-Che	Unqualified Opinion
2020	Tseng Kuo-Yang, Chen Tsong-Che	Unqualified Opinion
2021	Huang Hsin-Ting, Tseng Kuo-Yang	Unqualified Opinion
2022	Huang Hsin-Ting, Tseng Kuo-Yang	Unqualified Opinion

II. Financial analysis for the last five years

(I) Financial analysis: International Financial Reporting Standards (consolidated statements)

Analysis item \ Year		Financial data for the last five years (Note 1)					The current year ends on March 31, 2023 (Note 2)
		2022	2021	2020	2019	2018	
Financial structure (%)	Debt to assets ratio	24.54	34.28	23.90	28.43	27.30	No relevant information
	Ratio of long-term funds to property, plant and equipment	643.26	424.75	437.04	439.06	403.71	
Solvency %	Current ratio	313.77	193.95	234.04	209.73	164.22	
	Quick ratio	262.01	134.88	167.54	156.06	122.4	
	Interest coverage ratio	230.94	56.96	63.88	33.22	14.09	
Management capacity	Turnover rate of accounts receivable (times)	7.72	7.81	7.48	7.53	7.55	
	Average cash collection days	47.27	46.73	48.79	48.47	48.34	
	Inventory turnover (times)	8.26	12.63	10.42	9.9	10.21	
	Payable turnover rate (times)	16.11	15.21	13.55	16.03	17.24	
	Average sales days	44.18	28.89	35.02	36.86	35.74	
	Turnover rate of property, plant and equipment (times)	5.62	5.31	4.76	4.71	4.56	
	Total asset turnover (times)	0.81	1.00	0.90	0.89	0.97	
Profitability	Return on assets (%)	43.53	6.05	9.34	6.63	6.07	
	Return on equity (%)	60.55	8.45	12.49	8.96	9.09	
	Ratio of profit before tax to paid-in capital(%)	124.22	12.71	18.12	12.43	9.83	
	Net profit rate (%)	53.47	5.95	10.19	7.28	5.88	
	Earnings per share(NTD)	12.17	1.22	1.75	1.2	0.98	
Cash flow	Cash flow ratio (%)	(11.17)	(11.58)	29.77	21.27	20.83	
	Cash flow adequacy ratio (%)	8.12	23.11	33.08	25.23	7.87	
	Cash reinvestment ratio(%)	(6.29)	(9.53)	(0.30)	(0.42)	2.56	
Leverage	Operating leverage	(1.09)	3.26	2.59	4.04	6.5	
	Financial leverage	0.94	1.06	1.05	1.14	1.71	

Please explain the reasons for changes in each financial ratio in the last two years. (If the increase or decrease does not reach 20%, the analysis is exempted)

(1) Debt to assets ratio: Mainly includes sale of equity accounted for and repayment of long-term borrowings.
(2) Long-term capital to property, plant, and equipment: Mainly due to the sale of equity stock.
(3) Current ratio, quick ratio, and interest coverage ratio: The Company mainly sells the equity stock.
(4) Inventory turnover (times): It is mainly due to the surge in the cost of raw materials.
(5) Average days of sales: Mainly due to the surge in the cost of raw materials.
(6) Return on assets, return on equity, net profit before tax as a percentage of paid-in capital, net profit margin, and earnings per share: In order to recognize the increase in gains on sale of equity stock.
(7) Cash flow ratio: Net cash outflow from operating activities in 2022 was NT$430 million, and liabilities increased due to the increase in remuneration payable to directors and employees.
(8) Cash flow adequacy ratio: It is the result of NT$500 million increase in cash outflow from operating activities, NT$480 million increase in dividend distribution and NT$850 million increase in inventory in the past five years.
(9) Cash reinvestment ratio: In 2022, net cash outflow from operating activities was NT$430 million due to an increase in gross fixed assets of NT$800 million and an increase in working capital of NT$6 billion.
(10) Operating leverage: Mainly due to the decrease in operating income.

Note 1: All annual consolidated financial reports have been verified by accountants.

Note 2: As of the publication date of the annual report, no accountant-reviewed financial information is yet available for the first quarter of 2023.

(II) Financial analysis: International Financial Reporting Standards (unconsolidated reports)

Analysis item \ Year			Financial data for the last five years (Note 1)					As of March 31, 2023 (Note 2)
			2022	2021	2020	2019	2018	
Financial structure (%)	Debt to assets ratio		22.55	31.69	20.47	24.51	23.73	Not applicable
	Ratio of long-term funds to property, plant and equipment		738.79	492.60	513.35	526.47	489.60	
Solvency %	Current ratio		334.16	208.83	292.39	264.15	192.55	
	Quick ratio		279.47	141.69	204.68	193.63	143.47	
	Interest coverage ratio		234.47	59.97	80.28	36.47	20.91	
Management capacity	Turnover rate of accounts receivable (times)		6.75	6.86	6.62	6.73	6.71	
	Average cash collection days		54.1	53.20	55.12	54.22	54.37	
	Inventory turnover (times)		8.07	12.52	9.94	9.39	9.73	
	Payable turnover rate (times)		16.74	15.82	13.87	16.37	17.39	
	Average sales days		45.22	29.15	36.72	38.87	37.50	
	Fixed asset turnover (times)		5.64	5.38	4.83	4.87	4.92	
	Total asset turnover (times)		0.73	0.90	0.81	0.8	0.90	
Profitability	Return on assets (%)		44.92	6.30	9.79	6.96	6.41	
	Return on equity		60.55	8.45	12.49	8.96	9.09	
	Percentage of paid-in capital	Operating Income	(10.01)	2.23	4.72	2.34	1.31	
		Profit before tax	124.13	12.56	18.00	12.23	9.73	
	Net profit rate (%)		61.55	6.86	11.92	8.51	6.82	
	Earnings per share (NTD)		12.17	1.22	1.75	1.2	0.98	
Cash flow	Cash flow ratio (%)		(16.35)	(21.55)	26.11	21.55	25.41	
	Cash flow adequacy ratio (%)		(0.89)	15.06	29.65	26.92	34.04	
	Cash reinvestment ratio (%)		(7.51)	(11.73)	(2.12)	(1.53)	7.50	
Leverage	Operating leverage		(0.43)	4.27	2.64	4.18	6.98	
	Financial leverage		0.95	1.11	1.05	1.17	1.60	

Please explain the reasons for changes in each financial ratio in the last two years. (If the increase or decrease does not reach 20%, the analysis is exempted)

(1) Debt to assets ratio: Mainly includes sale of equity accounted for and repayment of long-term borrowings.
(2) Long-term capital to property, plant, and equipment: Mainly due to the sale of equity stock.
(3) Current ratio, quick ratio, and interest coverage ratio: The Company mainly sells the equity stock.
(4) Inventory turnover (times): It is mainly due to the surge in the cost of raw materials.
(5) Average days of sales: Mainly due to the surge in the cost of raw materials.
(6) Return on assets, return on equity, net profit before tax as a percentage of paid-in capital, net profit margin, and earnings per share: In order to recognize the increase in gains on sale of equity stock.
(7) Cash flow ratio: In 2022, net cash outflow from operating activities was NT$560 million, and liabilities increased due to the increase in remuneration payable to directors and employees.
(8) Cash flow adequacy ratio: Due to an increase of cash outflow from operating activities by NT$700 million, an increase of NT$500 million of dividends, and an increase of inventory by NT$810 million in the past five years.
(9) Cash reinvestment ratio: Due to net cash outflow from operating activities of NT$50.6 billion in 2022, an increase of NT$80 million in gross fixed assets, and an increase of NT$5.9 billion in working capital.
(10) Operating leverage: Mainly due to the decrease in operating income.

Note 1: Each year's unconsolidated financial report is verified by accountants.
Note 2: There is no unconsolidated financial report for the first quarter of 2022, so it is not applicable.

III. Audit Committee Review Report of the most recent financial reports

Taisun Enterprise Co., Ltd.

Audit Committee's Audit Report

The Board of Directors prepared the Company's 2022 annual business report, financial statements, among which the financial statements were verified by CPAs Huang Hsin-Ting and Tseng Kuo-Yang of KPMG, and a verification report was issued. The business report and financial statements (including consolidated financial statements) stated above have been audited by the Audit Committee and found to be in compliance with the Company Act and other applicable laws and regulations. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

To

The Company's 2023 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee: Tu Ying-Ta

May 31, 2023

Taisun Enterprise Co., Ltd.

Audit Committee's Audit Report

The Board of Directors prepared the Company's 2022 statement of earnings distribution, The statement of earnings distribution stated above have been audited by the Audit Committee and found to be in compliance with the Company Act and other applicable laws and regulations. We have presented you the reports based on the provisions stipulated in
Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act

To

The Company's 2023 Annual Meeting of Shareholders

Taisun Enterprise Co., Ltd.

Member of the Audit Committee: Li Ming-Hui

May 05, 2023

IV. Consolidated Financial Statement and Independent Auditor's Report for the Most Recent Year: Please refer to page 143 of this annual report

V. The most recent annual unconsolidated financial reports and accountant's audit report: please refer to p.246 of the annual report

VI. For the Company and its affiliated companies in the most recent year and as of the date of publication of the annual report, if any financial difficulties have occurred, the impact on the Company's financial status: None.

Seven. Review Analysis and Risk Matters Pertaining to Financial Status and Financial Performance

I. Review and analysis of the financial position - Consolidated Statements

Unit: NT$ thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	12,100,730	4,581,044	7,519,685	164.15
Long-term investments	1,827,016	3,434,619	(1,607,603)	(46.81)
Property, plant and equipment	1,988,740	1,947,298	4,142	2.13
Investment real estate	613,160	614,900	(1,740)	(0.28)
Intangible assets	612	1,869	(1,257)	(67.26)
Other assets	124,346	58,546	65,801	112.39
Total assets	16,654,604	10,638,276	6,016,328	56.55
Current liabilities	3,856,578	2,361,918	1,494,660	63.28
Long-term liabilities	0	1,050,000	(1,050,000)	(100.00)
Other liabilities	230,167	235,231	(5,064)	(2.15)
Total liabilities	4,086,745	3,647,149	439,596	12.05
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	1,006,742	993,134	13,608	1.37
Retained earnings	6,731,611	1,302,687	5,428,924	416.75
Other owners‘ equity	28,205	(105,953)	134,158	(126.62)
Treasury shares	(203,876)	(203,876)	—	—
Uncontrolled Equities	5187	5,145	42	0.82
Total equity	12,567,859	6,991,127	5,576,732	79.77

(I) Main reasons for significant changes in assets, liabilities, and equity in the last two years (with change exceeding 20%):

1. Current assets: Major Increase in cash from sale of equity stock.
2. Long-term investment: Mainly by the sale of the equity stock.
3. Intangible assets: Mainly due to a decrease in computer software amortization.
4. Other assets: Mainly due to the increase in deferred income tax assets and the increase in defined benefit assets.
5. Current liabilities: Mainly due to increase of long-term loans due within one year by NT$570 million, increase of other payables by NT$480 million, and increase of income tax liabilities by NT$270 million.
6. Long-term liabilities: Mainly due to an decrease in long-term bank loans of NT$1.05 billion.
7. Other equity: Mainly related to increase in profits of unrealized financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Status: Standalone Statements

Unit: NT$ thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	11,465,758	4,100,485	7,365,273	179.62
Long-term investments	2,386,423	3,872,693	(1,486,270)	(38.38)
Property, plant and equipment	1,731,135	1,677,382	53,753	3.20
Investment real estate	534,838	536,059	(1,221)	(0.23)
Intangible assets	519	1,730	(1,221)	(70.00)
Other assets	101,932	37,929	64,003	168.74
Total assets	16,220,605	10,226,278	5,994,327	58.62
Current liabilities	3,431,179	1,963,540	1,467,639	74.74
Long-term liabilities	0	1,050,000	(1,050,000)	(100.00)
Other liabilities	226,754	226,756	(2)	0.00
Total liabilities	3,657,933	3,240,296	417,637	12.89
Share capital	4,999,990	4,999,990	—	—
Additional paid-in capital	1,006,742	993,134	13,608	1.37
Retained earnings	6,731,611	1,302,687	5,428,924	416.75
Other owners‘ equity	28,205	(105,953)	134,158	(126.62)
Treasury shares	(203,876)	(203,876)	—	—
Total equity	12,562,672	6,985,982	5,576,690	79.83

(I) Main reasons for significant changes in assets, liabilities, and equity in the last two years (with change exceeding 20%):

1. Current assets: Increase in cash mainly from sale of equity stock.
2. Long-term investment: Mainly by the sale of the equity stock.
3. Intangible assets: Mainly due to a decrease in computer software amortization.
4. Other assets: Mainly due to the increase in deferred income tax assets and the increase in defined benefit assets.
5. Current liabilities: Mainly due to increase of long-term loans due within one year by NT$570 million, increase of other payables by NT$470 million, and increase of income tax liabilities by NT$270 million.
6. Long-term liabilities: Mainly due to an decrease in long-term bank loans of NT$1.05 billion.
7. Other equity: Mainly related to increase in profits of unrealized financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

II. Review and Analysis of Financial Performance: Consolidated Statements

Unit: NT$ thousand

Item \ Year	2022	2021	Increase (decrease) amount	Percentage change %
Operating revenue	11,069,440	9,944,978	1,124,462	11.31
Operating costs	9,623,851	8,408,820	1,215,031	14.45
Operating margin	1,445,589	1,536,158	(90,569)	(5.90)
Operating expenses	1,837,971	1,326,801	511,170	38.53
Net operating income (loss)	(392,382)	209,357	(601,739)	(287.42)
Non-operating revenue and expenditures	6,603,532	426,279	6,177,253	1,449.11
Profit before tax	6,211,150	635,636	5,575,514	877.16
Tax income (expense)	(292,578)	(43,625)	(248,953)	570.67
Net profit for the current period	5,918,572	592,011	5,326,561	899.74
Cumulative impact of changes in accounting principles	—	—	—	—
Net profit for the current period	5,918,572	592,011	5,326,561	899.74

(I) Main reasons for major changes in operating revenue, net operating profit, and pre-tax net profit in the last two years:

1. Operating income and cost: Mainly due to an increase in cost of raw materials including soybeans and imported oil and some prices of materials. The price increase of finished products did not reach the rate of increase of raw materials, the gross profit is therefore decreased.
2. Net operating profit: Mainly due to the decrease in gross profit and increase in operating expenses.
3. Non-operating income and expenses: Mainly due to increase in recognized gain on sale of sale of equity stock investment.
4. Profit before tax: The above points are the main reasons for the growth of pre-tax net profit.
5. Income tax expense: It is due to the increase in the sale of the equity stock.
6. Net income for the period: Due to the increase in the gain on disposal of equity stock recognized.

(II) Impact on the Company's future financial operations: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Performance - Standalone Statement

Unit: NT$ thousand

Item \ Year	2022	2021	Increase (decrease) amount	Percentage change %
Operating revenue	9,615,949	8,622,713	993,236	11.52
Operating costs	8,733,883	7,607,136	1,126,747	14.81
Operating margin	882,066	1,015,577	(133,511)	(13.15)
Operating expenses	1,382,356	904,253	478,103	52.87
Net operating income (loss)	(500,290)	111,324	(611,614)	(549.40)
Non-operating revenue and expenditures:	6,706,533	516,800	6,189,733	1,197.70
Net profit (loss) before tax	6,206,243	628,124	5,578,119	888.06
Tax income (expense)	(287,748)	(36,297)	(251,451)	692.76
Net profit (loss) for the current period	5,918,495	591,827	5,326,668	900.04
Cumulative impact of changes in accounting principles	—	—	—	-
Net profit (loss) for the current period	5,918,495	591,827	5,326,668	900.04

(I) Main reasons for major changes in operating revenue, net operating profit, and pre-tax net profit in the last two years:

1. Operating income and cost: Mainly due to price surge to the raw materials such as soybeans and imported oil and some prices of the materials that result in the increase in costs. The price increase of finished products did not reach the rate of increase of raw materials, the gross profit is therefore decreased.
2. Net operating profit: Mainly due to the decrease in gross profit and increase in operating expenses.
3. Non-operating income and expenses: Mainly due to the increase in the recognized profit on sale of equity stock.
4. Profit before tax: The above points are the main reasons for the growth of pre-tax net profit.
5. Income tax expense: It is due to the increase in the sale of the equity stock.
6. Net income for the period: Due to the increase in the gain on disposal of equity stock recognized.

(II) Expected sales volume, and basis:

The Company's business operates in a mature industry that provides necessities for people’s livelihoods. Sales volume will increase in line with population growth and economic growth. Based on expected future economic development and consumer demand, and considering the development trend of the food category, planned sales volumes for next year are estimated as follows:

1. The oil business includes oil products and soybean powder and the sales volume is expected to be 225 thousand tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 19.65 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 20,000 tons.

(III) Impact on the Company's future financial operations: No significant impact.

(IV) Future response plan: Not applicable.

III. Cash flow review and analysis

(I) Analysis of changes in cash flow this year

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Annual cash outflow (3)	Cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for insufficient cash position	
				Investment plan	Financial management plan
1,664,560	(430,901)	(7,270,753)	8,504,412	-	-

(1) Operating activities: Net cash outflow of NT$430 million, mainly due to the increase of inventory by NT$860 million, the decrease of prepayments by NT$250 million, and the total increase of accounts receivable and accounts receivable-related parties by NT$100 million.
(2) Investment activities: The net cash inflow of NT$8.13 billion was mainly due to the NT$280 million dividends received, sales of investment stocks of NT$8 billion and acquisition of plant and equipment of NT$140 million.
(3) Financing activities: Net cash outflow of NT$860 million, mainly due to cash dividend distribution of NT$480 million in 2022, repayment of long-term borrowings of NT$480 million, increase of short-term loans by NT$250 million, and increase of short-term notes payable by NT$150 million.

(II) The Company's contingency plans for insufficient cash position and liquidity analysis

1. Contingency plans for insufficient cash position: No cash shortage this year
2. Liquidity analysis for the last two years.

Item \ Year	2022	2021	Percent increase (decrease) %
Cash flow ratio	(11.17) %	(11.58) %	(3.54)%
Cash flow adequacy ratio	8.12 %	23.11 %	(64.86)%
Cash reinvestment ratio	(6.29) %	(9.53%)	(34.0)%

Change analysis
Cash flow ratio: In 2022, net cash outflow from operating activities was NT$430 million and current liabilities increased due to the adjustment of financing instruments.
Cash flow adequacy ratio: It is the result of NT$500 million increase in cash outflow from operating activities, NT$480 million increase in dividend distribution and NT$850 million increase in inventory in the past five years.
Cash reinvestment ratio: In 2022, net cash outflow from operating activities was NT$430 million due to an increase in gross fixed assets of NT$80 million and an increase in working capital of NT$6 billion.

(III) Cash liquidity analysis for the coming one year

Unit: NT$ thousand

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Estimated annual cash outflow (3)	Estimated cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for projected insufficient cash position	
				Investment plan	Financial management plan
8,504,412	(146,320)	3,772,423	4,585,669	-	-

(1) Net cash inflow from operating activities: The Company's operation has been stable in recent years, but with continued inflation and high costs, the cash inflow from operations in the next year and after deducting related operating expenses, the estimated net cash outflow from operating activities for the whole year is NT$ 146,320 thousand.
(2) Estimated annual cash outflow: The amount expected to be invested in the acquisition of additional equipment in the coming year, besides the payment of necessary expenses and cash dividends, and some loans were repaid.
(3) Contingency plans for projected insufficient cash position and liquidity analysis: None.

IV. The impact of major capital expenditures on financial operations in recent years

(I) The uses of major capital expenditures and sources of funds: Please refer to p.72 of the annual report.

(II) Expected benefits: Please refer to Page 75 of this annual report.

V. The reinvestment policy in the most recent year, the main reason for its profit or loss, and improvement plan and investment plan for the coming year

Unit: NT$ thousand

Invested company name	Main business items	Current profit and loss of invested company	Investment gains and losses recognized in the current period	The main reason for profit or loss	Improvement program	Future investment plan
Pin-Tai Distribution Enterprise Co., Ltd.	Oil & Fat food Wholesale and retail sale	52,112	41,731	Continue with operational fitness adjustment to reduce inefficient general expenses.	None	Continuing investment
Central Union Oil Corp., Ltd.	Bean product manufacturing, processing, and sales	171,698	57,233	Reach economies of scale	None	Continuing investment
Taiwan Niko Mart Co., Ltd.	Operating chain supermarkets	2526	(1,037)	Recognize investment gains and losses	None	None
Taisun (Cayman) Investment Ltd.	Investment	62,243	62,243	Recognize investment benefits	None	Continuing investment
Pioneer Traffic Co.Ltd.	Logistics delivery	(305)	(401)	Due to the impact of the pandemic, the transportation capacity has reduced.	None	Continuing investment
Taisun Yuan Co., Ltd.	Investment management	6,323	6,323	Recognize investment benefits	None	Continuing investment
Taiwan FamilyMart Co. Ltd.	Operation and investment of chain convenience stores	1,249,150	280,563	Reach economies of scale and see continued growth performance	None	Continuing investment

VI. Risk analysis and assessment

(I) The effect upon the Company's profits (or losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

Item	2022 (NT$ thousand)
Interest expense	27,012
Exchange benefits (consolidated)	23,411

1. Interest rate risk: The Company's interest rate hedging policy is mainly based on variable

interest rates. Considering that the current overall market interest rate is low, it has not engaged in interest rate hedging transactions. As the Company's overall bank loan balance is not high at present, interest rate risk is controlled within a reasonable range and there is no significant impact on the overall net profit after tax.

2. Exchange rate risk: The Company's main raw materials are imported from abroad. Therefore, changes in exchange rates have a certain impact on the company. The company uses foreign exchange options and forward foreign exchange contracts to avoid exchange rate risks. The length of the contract period is determined by the maturity date and future cash flow of the company's existing foreign currency debt. Therefore, the possible conversion gains and losses of the hedged debt will be offset by the gains and losses incurred when the hedging instrument contract expires.

3. The impact of inflation on the Company's profit and loss and future countermeasures:
   The global economy has been severely affected since the pandemic outbreak, especially sea and air transports around the world. Many global major central banks were forced to provide money with an aim to save the markets. Such act at the same time caused long-term price increases for bulk materials such as soybeans and corn. This in turn creates a hidden worry as to future inflation. However, under the government's commitment to stable financial order and maintaining price stability, the domestic inflation rate remains within a certain level. In addition, the Company has continued to achieve low production costs in recent years. In the future, the Company will use product innovation and differentiation strategies to increase the added value of products, and additionally continue to work to reduce costs to reduce the negative impact of inflation on Company operations.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future.

The Company has not engaged in high-risk, high-leverage investments. If there are funds to be lent to others, endorsements, or derivatives transactions, all will be handled in accordance with relevant laws and Company regulations.

1. Engagement in high-risk investments or highly leveraged investments

   The Company is mainly engaged in the food industry, and the board of directors strictly controls and strictly prohibits high-risk investments or highly leveraged investments.

2. Loans to other parties, endorsements, guarantees
   (1) In response to actual operating needs, the Company has followed the relevant laws and regulations of the Securities and Futures Bureau to set up its Procedures For Endorsement & Guarantee to be handled in accordance with the law, At the same time, the company's audit unit is established based on the Regulations Governing Establishment of Internal Control Systems by Public Companies as issued by the Securities and Futures Bureau. Relevant systems are in place to conduct regular internal audit operations and submit audit reports to the audit committee.
   (2) Due to operational needs, Taisun Enterprise (Zhangzhou) Foods Co. applied for a loan of RMB 15 million from the Company in 2022 and was approved by the board of directors. As of April 30, 2023, the announced maximum limit of funds lent to others was NT$2,519,541 thousand. The announced balance of funds lent to others was NT$66,552 thousand and the actual expenditure amount was NT$0.
   (3) As of April 30, 2023, the maximum limit of the Company's endorsements and

guarantees was NT$6,298,852 thousand. The announced endorsement and guarantee balance was NT$0 thousand, and the actual expenditure amount was NT$0. Future response measures will still be strictly controlled in accordance with relevant operating system regulations and actual operational needs.

3. Derivatives transactions:
   (1) Transaction policy:

   This is based on the "Procedures for the Acquisition or Disposal of Assets" stipulated by the company to engage in derivative commodity transactions based on operational needs.

   (2) Main reasons for profits/losses and response measures to be taken in the future:

   The Company engages in derivative commodity transactions in order to avoid the exchange rate fluctuation risk of foreign currency loans connected to the purchase of raw materials. Because they are all linked to import costs, the risk is controlled. (However, hedge accounting is not applied.) In the future, we will continue to undertake hedging at the right time in response to import demand.

(III) Future research and development plan and estimated R&D expenses:

1. Research and development plan for the next upcoming year
   (1) Research on Bing Jeon tea beverage series products.
   (2) Research on hand-shaken drink stand series.
   (3) Research of canned health congee series products.
   (4) Research of Cheers series.
   (5) Development research on sugar free tea series products.
   (6) Research on refrigerated non-dairy milk, grain drink series products.
   (7) Research on aluminum can line series products.
   (8) Development of beverage concentrate product series.
   (9) No. 1 can business channel product research
   (10) Development research of business use oil products.
   (11) Development research of differentiated consumer oil.
2. Current progress of the research and development plan:
   (1) Bing Jeon Cool Lemon Tea will be trailed in February and is expected to be launched in June.
   (2) The flavor for Bing Jeon Seasonal Spring Tea is under development.
   (3) The flavor for Bing Jeon Orange Grapefruit Jinxuan for adult consumers is under development and is expected to be launched in June.
   (4) Refrigerated Tea Stall IP Hai-Shen Fresh Milk Tea will be trailed in February, and is expected to be launched in April.
   (5) The flavor for Refrigerated Tea Stall IP Hua-Da Yi-Shou Fresh Milk Tea is under development, and is expected to be launched in May.
   (6) The trial for Refrigerated IP Big Straw Agar Winter Melon & Lemon QQ has completed, and is expected to be launched in April.
   (7) The flavor for Refrigerated PE Low in Sugar Latte and Low in Sugar Fresh Milk Tea is under development
   (8) Refrigerated PE Original and Unsweetened Almond Milk are under trial, and is expected to be launched in May.
   (9) The trial for Cheers+ Fruit Vinegar Bubble Drink has completed, and is expected to be launched in April.
   (10) Room Temperature PET Sea Salt Lychee will be trailed in February, and is expected to be launched in July.

(11) ST Bitter Tea Oil has completed the first batch of production, and is expected to be launched in March.

3. Estimated research and development expenses: It is expected that another NTD 20,138 thousand is required for investment in 2021.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

The Company's operating policies are governed by laws and regulations, and we always pay attention to important domestic and foreign policies and changes in laws. We provide these for management reference, consult relevant experts when necessary, and take appropriate response measures. In the most recent year and as of the printing date of the annual report, the Company has not been affected by major domestic and foreign policy and legal changes that affect its financial operations.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response.

Since projects operated by our Company fall within mature industries, they have seen no major technological breakthroughs in recent years and there is currently no major impact on the company's financial operations.

(VI) Effect on the Company's crisis management of changes in the company's corporate image, and measures to be taken in response.

The Company has always adhered to the philosophy of upstanding management, and externally we attach importance to integrity with customers. We strictly require employees to be self-disciplined internally and abide by the Company's internal regulations, and through various communication channels they should uphold the principles of open information and financial transparency. In this way, we enhance shareholders' understanding of the Company and recognition and support of the Company's business strategy. Furthermore, in case of emergencies, emergency response measures will be initiated according to powers and responsibilities to quickly resolve the corporate crisis. We will make preparations to prevent and control any potential risks that may be faced. As of the printing date of the annual report, the Company has not experienced any changes in its corporate image requiring it to manage a corporate crisis.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken.

In the most recent year and as of the printing date of the annual report, the Company has no plans for mergers and acquisitions.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken.

Regarding capital expenditures invested by the Company, this mainly went to water treatment equipment, oil and fat warehouses and production lines, robotic arms, sterilization kettles for mixed congee, and so on. These expenditures are expected to increase production capacity and reduce operating costs. As the company's business revenues are stable, cash flow from operations is sufficient to cover short-term capital investment expenditures. In the future, we will always evaluate changes in the industry

to update equipment investments for the sake of meeting business needs and reducing operational risks.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken.

The sources of the Company’s purchases and sales targets have been disclosed in the previous chapters. In view of the future growth trends of the Company's industry, we will appropriately diversify, distributing future sales targets and purchase sources in order to maintain balanced and stable operating results, and the Company's continuous efforts shall strive toward these goals.

(X) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken.

The composition of the Company’s directors is stable and there have been no massive transfers of equity. Therefore, there is no major risk or impact on the Company.

(XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken.

The Company has a professional management team, and the Company's various management and operating advantages will not compromise due to changes in management rights.The remaining risks are still under evaluation.

(XII) Litigious and non-litigious matters:

The Company currently has the following major litigious and non-litigious disputes still under litigation:

(1) Events concerning the return of investment funds and other matters to Ichiya Co., Ltd. of Japan (hereinafter referred to as Ichiya): Ichiya lost in all matters in the first and second instance, but a successor has filed a third-instance appeal; Taisun Company has also sought legal counsel to deal with the matter. The case has not yet been determined in the third trial.

(2) Default in payment of rent by Fu-Hong Logistics Co., Ltd.: Fu-Hong Logistics Co., Ltd. lost the first trial of this case, and is currently pending appeal by the company.

(XIII) Other important risks, and mitigation measures being or to be taken.

The Company has established an information security risk management framework and formulated an information security policy and specific management plan:

1. Information security risk management

(1) Information security management system:

The Company responds requirements of internal and external factors concerning cyber attacks, regulatory compliance, manufacturer cooperation regulations, internal and external risk control audits, and so on. In January 2018, based on ISO27001 and considering the Company’s operating characteristics, it developed consistent and appropriate information security system documents and control measures covering information-related management links. This includes policies, organizations, personnel, physical environment, network security, operation

management, access control, development and maintenance, information security incidents, disaster drills, etc.

(2) Information security policy:

❶ Ensure the continuous operation of business activities and provide stable use of information services.

❷ Ensure the confidentiality, integrity and availability of the information assets in custody, and protect the privacy of personnel data.

❸ Establish an information business continuity operation plan, and implement information business activities that meet the requirements of relevant laws and regulations.

(3) Information security organization and operations:

❶ The Company's information security authority is the information department. There is also an information security management committee composed of personnel above the head level of the information department. The chief information security committee is responsible for coordinating information security work. The Information security working group is responsible for planning, implementing and promoting information security management issues and promoting information security awareness. The information security audit team is responsible for evaluating the implementation of the information security management system, The emergency handling team is responsible for the task grouping to revise and implement various disaster recovery procedures.

❷ The information security audit team conducts self-inspection every year to confirm the effectiveness of the system. The Company's audit department performs information security audits every year. If there is any deficiency, it is required to propose relevant improvement plans and report to the board of directors, and regularly track the improvement results to reduce internal information security risks.

(4) Information security management plan:

❶ The Company's information security management regulations have stipulated the following management measures:

Type	Explanation	Related management measures
Authorization management	Management measures for personnel accounts, authorization management, and system operation behavior	Personnel account authorization management and review Regular inventory of personnel account permissions
Access control	Control measures for personnel access to internal and external systems and data transmission	Internal/external access control measures
External threats	Channels of infection and preventive measures	Host/computer update measures Firewall protection Virus protection and malware detection
System availability	System availability and handling measures when service is interrupted	System/network availability status monitoring and notification mechanism Contingency measures for service interruption Local/remote backup mechanism Regular disaster recovery drills
Personnel training	Personnel information security awareness training measures	Information security advocacy education required for newly reporting personnel Regular company-wide information security advocacy Social engineering walkthroughs

❷ The Company conducts electronic equipment insurance for Company operating assets such as ERP system mainframes, network equipment, etc., and uses monitoring operations to avoid theft or malicious damage.

❸ Given that information security insurance is a new type of insurance, and considering the comprehensive effects of issues such as insurance coverage, claim coverage, claim appraisal, and appraisal agency qualifications, after an assessment information security insurance will not be purchased for the moment. However, in response to the challenges faced by information security, the following strategies have been adopted: Every year in accordance with the company's information security policy, we continue to pay attention to the changing trends of the information environment and formulate information security protection mechanisms and plans. We perform social contact security and information security incident drills every year to strengthen the awareness of information security crisis among employees of the Company and the ability of handling personnel to respond in order to prevent such incidents in advance.

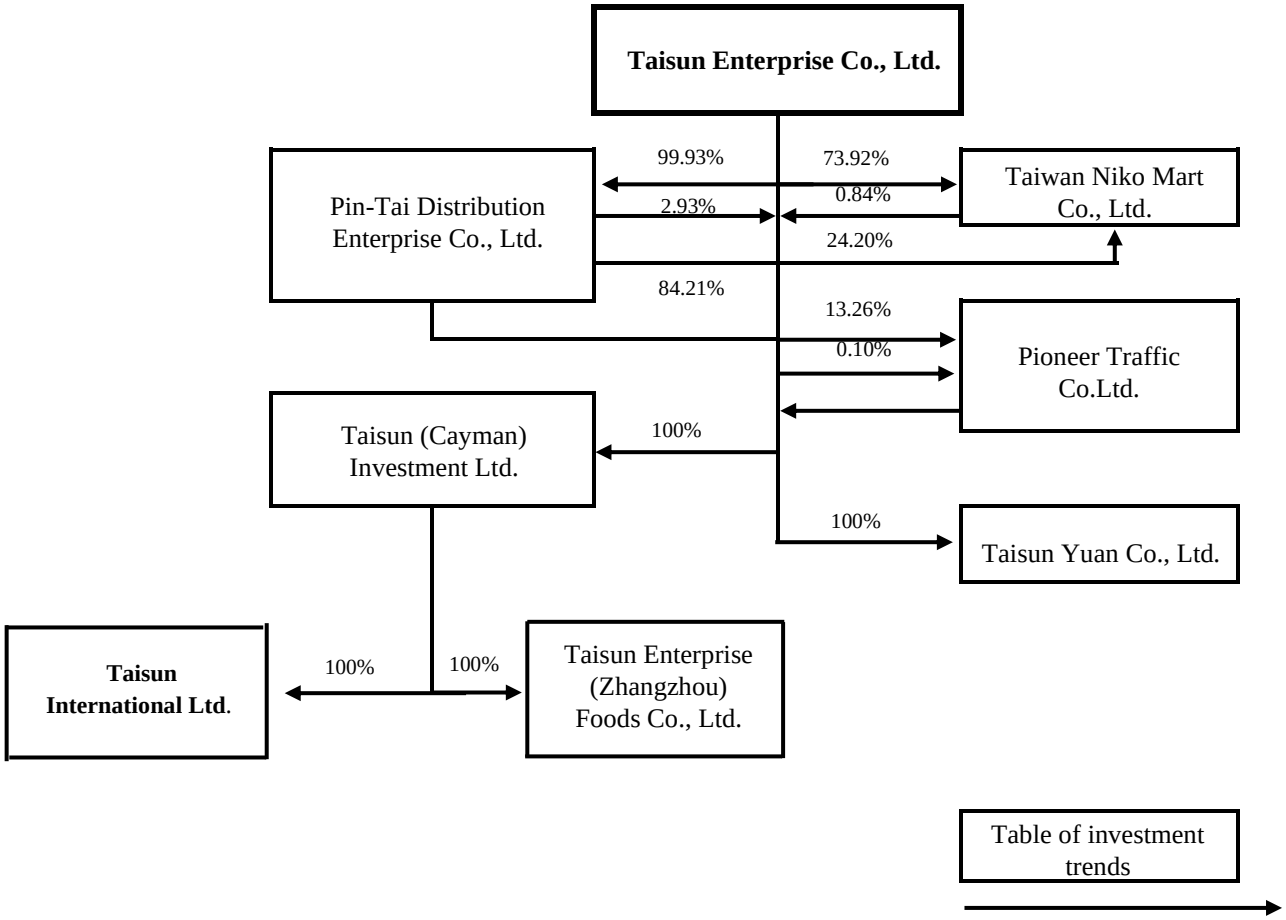
VII. Other important matters: None.

Eight. Special Items of Record

I. Information on Affiliated Companies

(I) Consolidated financial statements of affiliated companies

1. Organization chart of affiliated companies



2. Basic information of affiliated companies: Units: New Taiwan Dollar, USD, RMB thousand

Enterprise Name	Date Established	Address	Paid-in capital	Main business or production items
Pin-Tai Distribution Enterprise Co., Ltd.	1987.02.11	No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan	212,711	Wholesale and retail of oil and fat food products
Taiwan Niko Mart Co.,Ltd	1990.06.01	10F-1., No.99, Sec. 2, Chang-An E. Rd., Taipei City 104, Taiwan	368,000	Operating chain supermarkets
Pioneer Traffic Co.Ltd.	1984.09.01	No. 28 Shalun Li, Xingong 1st Road, Tianzhong Town, Changhua County	102,480	Logistics delivery
Taisun Yuan Co., Ltd	2018.03.30	Floor 11, No. 99, Chang'an East Road Section 2, Taipei City	5,000	Investment management
Taisun (Cayman) Investment Ltd.	1998.08.05	HUNT LANBUILDING,P.O.BOX2804,GEORGE TOWN,GRAND CAYMAM,CAYMANISLANDS	USD 40,290	Investment
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	1997.06.28	Fulong Industrial Park, Taiwanese Investment Zone, Zhangzhou, Fujian Province	USD 27,500	Production and sales of food, beverages, snacks, etc.
Taisun International Ltd	112.01.16	vistra(Cayman)limited,P.O. Box 3 1119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman,KY 1-1205 Cayman Islands	0	Operating oil sales

Note 1: All related companies should be disclosed regardless of size.

Note 2: If a given affiliate has a factory and the sales value of the factory's products exceeds 10% of the operating revenue of the controlling company, the name of the factory, date of establishment, address, and main production items of the factory should be additionally disclosed.

Note 3: If the affiliate is a foreign company, the company name and address can be given in English and the date of establishment expressed according to the Western calendar. Paid-in capital may be expressed in foreign currency. (However, the exchange rate as of the statement date should be added; USD：NTD = 1 ： 30.708；CNY：NTD = 1 ： 4.4175).

3. Shareholders representing both the holding company and subordinates: None.

4. Industries covered in the business operations of affiliated companies overall: Taisun Enterprise Co., Ltd. and its affiliated companies are primarily engaged in food production and sales (manufacturing), and delivery of commodities (logistics).

5. Information on directors, supervisors, and general managers of affiliated enterprises:

Units: NT$ thousand, shares, %

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding proportion
Pin-Tai Distribution Enterprise Co., Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Ching-Chao Chan)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Yi-Houg)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Kai-Ming)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chiang Wei-Feng)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chen Hsien Wen)	21,255,839	99.93%
	Supervisor	Chan Hao-Jun	0	0%
Taiwan Niko Mart Co.,Ltd	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Hsin Chung)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Ching-Chao Chan)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Pei-Shan)	27,203,632	73.92%
	Supervisor	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	8,904,412	24.20%
Pioneer Traffic Co.Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Yi-Houg)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Ching-Chao Chan)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan, Peng-Hsien)	1,358,480	13.26%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	1,358,480	13.26%
	Supervisor	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Chan Hao-Jun)	8,630,240	84.21%
Taisun Yuan Co., Ltd	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Ching-Chao Chan)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Yi-Houg)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Chan Hao-Jun)	500,000	100%
	Supervisor	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Chen)	500,000	100%

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding proportion
Taisun (Cayman) Investment Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Ching-Chao Chan)	40,290,000	100%
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	Chairman	Taisun (Cayman) Investment Ltd. (Corporate representative: Chan Hao-Jun)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Ching-Chao Chan)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Max Lei)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Lin Li-Wan)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Liu Wei-Chen)	-	100%
	Supervisor	Taisun (Cayman) Investment Ltd. (Corporate representative: Chan Yi-Houg)	-	100%

(II) Overview of operations of affiliated enterprises:

Unit: NT$ thousand

Enterprise Name	Capital	Total assets	Total liabilities	Book value	Operating revenue	Operating Income (loss)	Current profit and loss (after tax)	Earnings per share (NTD; after tax)
Pin-Tai Distribution Enterprise Co., Ltd.	212,711	1,321,391	715,352	606,039	2,516,703	43,176	52,112	2.45
Taiwan Niko Mart Co.,Ltd	368,000	146,490	2,949	143,541	-	(1,422)	2,526	0.07
Pioneer Traffic Co.Ltd.	102,480	199,905	85,462	114,443	415,876	(4,273)	(305)	(0.03)
Taisun Yuan Co., Ltd	5,000	16,047	247	15,800	-	(21)	6,322	12.64
Taisun (Cayman) Investment Ltd.	1,237,225	313,524	-	313,524	-	(579)	62,244	-
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	844,470	4299,631	200,003	229,628	631,525	61,926	66,699	-

Note 1: All related companies should be disclosed regardless of size.

Note 2: If the affiliate is a foreign company, the relevant figures should be converted at the exchange rate on the reporting date and expressed in New Taiwan Dollars.

II. The status of private placements of securities in the most recent year and as of the printing date of the annual report

(I) Data on private placements of securities: the Company has not yet handled private placements of securities

(II) Implementation status of private placements of securities in the most recent year and as of the date of publication of the annual report: the Company has not yet handled private placements of securities

III. Subsidiary holdings or disposals of the Company's stock in the most recent year and as of the printing date of the annual report

Units: NTD thousands; USD thousands; shares; %

Subsidiary name (Note 1)	Paid-in capital	Sources of funds	Company shareholding ratio	Date of acquisition or disposal	Number and amount of shares acquired (Note 2)	Number and amount of shares disposed of (Note 2)	Investment profit and loss	Number and amount of shares held as of the publication date of the annual report (Note 3)	Pledges created	The Company's endorsement guarantee amounts on behalf of subsidiaries	The Company's loan amounts to subsidiaries
Pin-Tai Distribution Enterprise Co., Ltd.	212,711	Share capital	99.93%	-	0	0	0	10,351,332 shares	None	0	0
Taiwan Niko Mart Co.,Ltd	368,000	Share capital	73.92%	-	0	0	0	2,960,186 shares	None	0	0
Pioneer Traffic Co.Ltd.	102,480	Share capital	13.26%	-	0	0	0	368,524 shares	None	0	0
Taisun Yuan Co., Ltd	5,000	Share capital	100%	-	0	0	0	0	None	0	0
Taisun (Cayman) Investment Ltd.	1,237,225	Share capital	100%	-	0	0	0	0	None	0	0
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	844,470	Share capital	100%	-	0	0	0	0	None	0	RMB 15,000 thousand
Taisun International Ltd.	—	—	100%	—	0	0	0	0	None	0	0

IV. Other necessary supplementary explanations: None

V. Other disclosures

During the most recent fiscal year or the current fiscal year up to the date of printing of annual report, if any occurrence of any event which has a material impact on shareholders' equity or securities prices stipulated by Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act: None.

Representation Letter

The entities that are required to be included in the combined financial statements of Taisun Enterprise Co., Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises, are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Taisun Enterprise Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Taisun Enterprise Co., Ltd.
Chairman: CHAN, CHING-CHAO
Date: March 31, 2023

Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the consolidated financial statements of Taisun Enterprise Co., Ltd. ("the Company"), and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, 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 with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the 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 Accountants of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of the Matter

As stated in Note 9(e) of the financial statements, on January 11, 2023, Taisun Enterprise Co., Ltd. received a notice from the Intellectual Property and Commercial Court and a civil lawsuit filed by EVERWIN INVESTMENT CO., LTD. and LONG BON INTERNATIONAL CO., LTD. requesting confirmation that the resolution of the Board of Directors of Taisun Enterprise Co., Ltd. to "dispose of the shares of TAIWAN FAMILYMART Co., Ltd. held by the Company" is invalid. Taisun Enterprise Co., Ltd. has already appointed a lawyer to file a defense, and the cases are being reviewed separately by the Intellectual Property and Commercial Court under Case Nos. 56 and 57 of 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of consolidated financial statements for the year ended December 31, 2022 of the Group. Those matters have been addressed in our audit opinion on the said consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Calculation of Gains on Disposal of Investments

   Regarding the accounting policy for related-party investments, please refer to Note 4(j). For the explanation of gains on disposal of equity method investments, please refer to Note 6(g) and (w).

   (a) Key audit matters:

   The gains on disposal of investment for using the equity method by the Group is NT$6,211,072 thousand. As the gain on disposal is significant, the accuracy of the calculation of the disposal gain or loss has a material impact on the financial statements. Therefore, the calculation of the gain on disposal of investments is considered as one of our key audit matters.

   (b) Audit procedures performed:

   - Obtaining the minutes of the Board of Directors' resolution on the disposal of investments and testing the internal controls for the acquisition or disposal of assets. Also, obtaining the stock delivery certificates and verifying the settlement statements to confirm the collection of transaction prices, recalculating the disposal investment gain or loss, and checking whether it is correctly recorded in the accounts.

   - We also assessed whether the Group’s disclosure information on the gain on disposal of investments was appropriate.

2. Revenue recognition

   Please refer to Note 4(q) “Revenue” for the accounting principles on the recognition of revenues and Note 6(u) “Revenue from Contracts with Customers” for details on revenue recognition.

   (a) Key audit matters:

   The Group engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Group’s products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Group and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in ristk of inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

(b) Audit procedures performed:

- Understanding and testing the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; We also perform random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

- We also assessed whether the Group' s disclosure of information on revenue recognition was appropriate.

3. Accounts receivable evaluation

Please refer to Note 4(g) for accounting policies on accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

(a) Key audit matters:

Since the Group' s accounts receivable stands a significant ratio in the total asset of the consolidated statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

(b) Audit procedures performed:

- Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the recent trend of the industry and the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

- We also assessed whether the Group' s disclosure of information on account receivables was appropriate.

Other Matters

We did not audit the financial statements of associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 1.83% and 31.15% of the consolidated total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituting 0.92% and 54.12% of the consolidated total profit before tax for the years then ended, respectively.

The Company has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, and we have issued an unqualified audit report with an emphisis of the matter paragrah and other matters paragrah, and an unqualified opinion with other matters paragrah, respectively, for reference.

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 with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group' s ability to continue as a going concern. If we determini that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group 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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin-Ting Huang and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 31, 2023

Notes to Readers

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

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 8,504,412	51	1,664,560	16
1110	Current financial assets at fair value through profit or loss (Note 6(b))	95,366	1	93,798	1
1150	Notes receivable, net (Note 6(d))	164,053	1	163,881	2
1170	Accounts receivable, net (Note 6(d))	831,258	5	769,031	7
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	487,544	3	452,151	4
1200	Other receivables, net (Notes 6(e) and 13)	10,123	-	22,380	-
1220	Total current tax assets	-	-	1,502	-
1310	Inventories, manufacturing business (Note 6(f))	1,570,255	10	711,566	7
1400	Current biological assets	21,260	-	26,023	-
1421	Prepayments to suppliers	367,369	2	609,887	6
1429	Other prepayments	37,236	-	47,834	-
1476	Other current financial assets (Note 8)	5,506	-	12,254	-
1479	Other current assets, others	6,348	-	6,177	-
	Total current assets	12,100,730	73	4,581,044	43
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c), (g) and 8)	1,522,815	9	120,701	1
1550	Investments accounted for using equity method (Notes 6(g), 8 and 9)	304,201	2	3,313,918	32
1600	Property, plant and equipment (Note 6(h))	1,988,740	12	1,947,298	18
1755	Right-of-use assets (Note 6(i))	13,010	-	14,496	-
1760	Investment property, net (Note 6(j))	613,160	4	614,900	6
1780	Intangible assets	612	-	1,869	-
1830	Non-current biological assets	7,065	-	7,326	-
1840	Deferred tax assets (Note 6(r))	33,490	-	3,059	-
1915	Prepayments for business facilities	3,510	-	1,242	-
1975	Net defined benefit asset, non-current (Note 6(q))	51,783	-	19,850	-
1980	Other non-current financial assets	15,488	-	12,573	-
	Total non-current assets	4,553,874	27	6,057,232	57
	Total assets	**$ 16,654,604**	**100**	**10,638,276**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(k))	$ 769,490	5	516,312	5
2110	Short-term notes and bills payable (Note 6(l))	370,000	2	520,000	5
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	1,481	-
2130	Current contract liabilities (Note 6(u))	53,777	-	47,351	-
2150	Notes payable	659	-	719	-
2170	Accounts payable (Notes 6(m) and 7)	615,996	4	577,337	5
2200	Other payables (Notes 6(q) and (v))	949,854	6	467,193	4
2230	Current tax liabilities (Note 6(r))	339,284	2	64,864	1
2280	Current lease liabilities (Note 6(o))	1,718	-	2,498	-
2322	Long-term borrowings, current portion (Note 6(n))	570,000	4	-	-
2399	Other current liabilities, others (Note 7)	185,800	1	164,163	2
	Total current liabilities	3,856,578	24	2,361,918	22
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(n))	-	-	1,050,000	10
2570	Deferred tax liabilities(Note 6(r))	223,071	1	222,537	2
2580	Non-current lease liabilities (Note 6(o))	566	-	977	-
2640	Net defined benefit liability, non-current (Note 6(q))	-	-	5,119	-
2670	Other non-current liabilities, others	6,530	-	6,598	-
	Total non-current liabilities	230,167	1	1,285,231	12
	Total liabilities	4,086,745	25	3,647,149	34
	Equity (Notes 6(c), (g) and (s)):				
3110	Ordinary share	4,999,990	30	4,999,990	47
3200	Capital surplus	1,006,742	6	993,134	10
	Retained earnings:				
3310	Legal reserve	276,984	2	209,930	2
3320	Special reserve	240,776	1	240,776	2
3350	Unappropriated retained earnings	6,213,851	37	851,981	8
3400	Other equity interest	28,205	-	(105,953)	(1)
3500	Treasury stock	(203,876)	(1)	(203,876)	(2)
	Total equity attributable to owners of parent:	12,562,672	75	6,985,982	66
36XX	Non-controlling interests	5,187	-	5,145	-
	Total equity	12,567,859	75	6,991,127	66
	Total liabilities and equity	**$ 16,654,604**	**100**	**10,638,276**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(p), (u) and 7)**	$ 11,069,440	100	9,944,978	100
5000	**Operating costs (Notes 6(f), (q) and 7)**	9,623,679	87	8,409,291	85
5910	Less: Unrealized profit (loss) from sales	403	-	231	-
5920	Add: Realized profit (loss) on from sales	231	-	702	-
	Gross profit from operations	1,445,589	13	1,536,158	15
	Operating expenses (Notes 6(d), (f), (o), (q), (v) and 7):				
6100	Selling expenses	1,121,980	10	955,655	9
6200	Administrative expenses	709,044	6	370,913	4
6450	Expected credit loss	6,947	-	233	-
	Total operating expenses	1,837,971	16	1,326,801	13
	Net operating (loss) income	(392,382)	(3)	209,357	2
	Non-operating income and expenses :				
7020	Other gains and losses, net (Note 6(w))	73,951	1	89,181	1
7050	Finance costs, net (Note 6(w))	(27,012)	-	(11,359)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(g))	337,908	3	344,102	3
7100	Total interest income (Note 6(w))	7,613	-	4,355	-
7225	Gains on disposals of investments (Notes 6(g), (w) and 9)	6,211,072	56	-	-
	Total non-operating income and expenses	6,603,532	60	426,279	4
7900	**Profit from continuing operations before tax**	6,211,150	57	635,636	6
7950	**Less: Income tax expenses (Note 6(r))**	292,578	3	43,625	-
	Profit	5,918,572	54	592,011	6
8300	**Other comprehensive income (Note 6(s)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (Note 6(q))	32,781	-	(6,933)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	91,321	1	44,690	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(4,733)	-	13,595	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		119,369	1	51,352	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	10,683	-	(2,722)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	39	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		10,683	-	(2,683)	-
8300	**Other comprehensive income, net**	130,052	1	48,669	-
8500	**Total comprehensive income**	**$ 6,048,624**	**55**	**640,680**	**6**
	Profit, attributable to:				
8610	Owners of parent	$ 5,918,495	54	591,827	6
8620	Non-controlling interests	77	-	184	-
	Profit	**$ 5,918,572**	**54**	**592,011**	**6**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 6,048,582	55	640,465	6
8720	Non-controlling interests	42	-	215	-
	Total comprehensive income	**$ 6,048,624**	**55**	**640,680**	**6**
	Basic earnings per share (Note 6(t))				
9750	**Basic earnings per share**	**$**	**12.17**		**1.22**
9850	**Diluted earnings per share**	**$**	**11.96**		**1.21**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent company												
	Share capital		Retained earnings				Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury stock	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
Balance at January 1, 2021	$ 4,999,990	974,083	126,621	240,776	964,748	1,332,145	(31,870)	(44,007)	(75,877)	(203,876)	7,026,465	5,137	7,031,602
Profit	-	-	-	-	591,827	591,827	-	-	-	-	591,827	184	592,011
Other comprehensive income	-	-	-	-	2,383	2,383	(2,683)	48,938	46,255	-	48,638	31	48,669
Total comprehensive income	-	-	-	-	594,210	594,210	(2,683)	48,938	46,255	-	640,465	215	640,680
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	83,309	-	(83,309)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(699,999)	(699,999)	-	-	-	-	(699,999)	-	(699,999)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	19,051	-	-	-	-	-	-	-	-	19,051	-	19,051
Cash dividends contributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(207)	(207)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	76,331	76,331	-	(76,331)	(76,331)	-	-	-	-
Balance at December 31, 2021	4,999,990	993,134	209,930	240,776	851,981	1,302,687	(34,553)	(71,400)	(105,953)	(203,876)	6,985,982	5,145	6,991,127
Profit	-	-	-	-	5,918,495	5,918,495	-	-	-	-	5,918,495	77	5,918,572
Other comprehensive income	-	-	-	-	33,285	33,285	10,683	86,119	96,802	-	130,087	(35)	130,052
Total comprehensive income	-	-	-	-	5,951,780	5,951,780	10,683	86,119	96,802	-	6,048,582	42	6,048,624
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	67,054	-	(67,054)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(499,999)	(499,999)	-	-	-	-	(499,999)	-	(499,999)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	13,608	-	-	-	-	-	-	-	-	13,608	-	13,608
Disposal of investments accounted for using equity method	-	-	-	-	(13,287)	(13,287)	14,499	13,287	27,786	-	14,499	-	14,499
Disposal of investments in equity instruments designated at fair value through other comprehensive income by associates accounted for using the equity method	-	-	-	-	(9,570)	(9,570)	-	9,570	9,570	-	-	-	-
Balance at December 31, 2022	**$ 4,999,990**	**1,006,742**	**276,984**	**240,776**	**6,213,851**	**6,731,611**	**(9,371)**	**37,576**	**28,205**	**(203,876)**	**12,562,672**	**5,187**	**12,567,859**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 6,211,150	635,636
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	105,531	102,227
Amortization expense	1,257	2,542
Expected credit losses	6,947	233
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	7,542	(10,260)
Interest expense	27,012	11,359
Interest income	(7,613)	(4,355)
Dividend income	(8,906)	(9,394)
Shares of profit of associates and joint ventures accounted for using equity method	(337,908)	(344,102)
Gains on disposal of property, plant and equipment	(648)	(654)
Gains on disposal of investments accounted for using equity method	(6,211,072)	-
Unrealized profit from sales	403	231
Realized profit on from sales	(231)	(702)
Others	(4)	-
Total adjustments to reconcile profit (loss)	(6,417,690)	(252,875)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(591)	(14,229)
Increase in notes receivable	(172)	(26,683)
Decrease in notes receivable due from related parties	-	2,700
Increase in accounts receivable	(69,162)	(115,232)
Increase in accounts receivable due from related parties	(35,393)	(84,827)
Decrease (increase) in other receivables	344	(1,005)
Increase in inventories	(858,229)	(139,166)
Decrease (increase) in biological assets	2,470	(7,210)
Decrease (increase) in prepayments	253,163	(338,071)
Increase (decrease) in other current assets	(151)	153
Decrease (increase) in defined benefit assets - non-current	849	(4,492)
Increase in financial liabilities at fair value through profit or loss	-	4,095
Increase in contract liabilities	5,600	7,725
Decrease in notes payable	(60)	(1,138)
Increase in accounts payable	38,294	51,285
Increase in other payables	486,551	424
Increase in other current liabilities	21,272	22,617
Decrease in net defined benefit liabilities	(5,119)	(988)
Total changes in operating assets and liabilities, net	(160,334)	(644,042)
Total adjustments	(6,578,024)	(896,917)
Cash outflow generated from operations	(366,874)	(261,281)
Interest received	7,613	4,355
Interest paid	(27,012)	(11,359)
Income taxes paid	(44,628)	(5,266)
Net cash flows from (used in) operating activities	(430,901)	(273,551)

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	**2021**
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	96,125
Proceeds from disposal of investments accounted for using equity method	7,986,979	-
Acquisition of property, plant and equipment	(143,649)	(247,777)
Proceeds from disposal of property, plant and equipment	6,242	4,391
Increase in other financial assets	(375,452)	(14,886)
Decrease in other financial assets	379,286	273,907
Increase in prepayments for business facilities	(2,247)	(1,242)
Dividends received	280,641	419,834
Net cash flows used in investing activities	8,131,800	530,352
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	10,490,216	7,039,061
Decrease in short-term borrowings	(10,237,038)	(6,670,776)
Increase in short-term notes and bills payable	2,443,000	2,991,000
Decrease in short-term notes and bills payable	(2,593,000)	(2,491,000)
Proceeds from long-term debt	-	450,000
Repayments of long-term debt	(480,000)	-
Payment of lease liabilities	(2,727)	(2,707)
(Decrease) increase in other non-current liabilities	(90)	1,299
Cash dividends paid	(486,391)	(680,948)
Net cash flows from (used in) financing activities	(866,030)	635,929
Effect of exchange rate changes on cash and cash equivalents	4,983	(624)
Net (decrease) increase in cash and cash equivalents	6,839,852	892,106
Cash and cash equivalents, beginning of the period	1,664,560	772,454
Cash and cash equivalents, end of the period	**$ 8,504,412**	**1,664,560**

See accompanying notes to consolidated financial statements.

(1) Company history

Taisun Enterprise Corporation (the "Company") was established on October 21, 1960 in Taiwan, the Republic of China, with the approval of the Ministry of Economic Affairs. Its registered office is located at No. 6, Xinggong Rd., Tianzhong Township, Changhua County.

The consolidated financial statements of the Company as of December 31, 2022 and 2021 comprised the Company and its subsidiaries (together referred to as "the Group").

The major business activities of the Company and its subsidiaries (the "Group") are the manufacturing and sales of cooking oil, food, beverages and aquafeeds.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements were authorized for issuance by the Board of Directors on March 31, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment—Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information "
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C.

(b) Basis of preparation

(i) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value;

3) The net defined benefit liability is recognized as the present value of the defined benefit obligation, less the fair value of plan assets and evaluation on the impact of upper limit in Note 4(r).

(ii) Functional and presentation currency

The functional currency of each Group entities is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

(c) Basis of consolidation

(i) Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The Group attributes the profit or loss and each component of other comprehensive income 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. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized income arising from investment accounted for using equity method is eliminated against the Company invested in its subsidiaries.

The accounting treatment for unrealized loss is the same as that for unrealized income only when there is no indication of impairment.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) List of subsidiaries included in the consolidated financial statements

Investor Company	Subsidiary	Nature of business	Shareholding ratio		Notes
			December 31, 2022	December 31, 2021	
The Company	PIN-TAI DISTRIBUTION, ENTERPRISE CO., LTD.	Wholesaler of cooking oil and food	99.93 %	99.93 %	A subsidiary that the Company directly holds more than 50% of its shares.
The Group	TAIWAN NIKOMART CO., LTD.	Operating Chained Convenience Stores	98.12 %	98.12 %	A subsidiary that the Group directly (indirectly) holds more than 50% of its shares.
The Group	CHUANG SHIN TRAFFIC CO., LTD.	Logistics	97.42 %	97.42 %	A subsidiary that the Group directly holds more than 50% of its shares. (Note)
The Company	TAISUN YUAN CO., LTD.	Investment Management	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Investment	100.00 %	100.00 %	A subsidiary that the Company directly holds more than 50% of its shares.
TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Produce and sell food, beverage, snacks and canned products	100.00 %	100.00 %	A subsidiary that TAISUN (CAYMAN) INVESTMENT LTD. directly holds more than 50% of its shares.

(Continued)

(iii) Subsidiaries excluded from consolidation：None.

(d) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences related to an investment in equity securities designated as at fair value through other comprehensive income, which is recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from, or payable to, a foreign operation is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current when：

(i) It is expected to be realized, or intended to be sold or consumed, during the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(Continued)

(iv) The asset is cash and cash equivalent (as defined in IAS 7) 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:

(i) It is expected to be settled within the Group's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement 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 issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand, check deposits and demand deposits. Cash equivalents are assets that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in their fair value.

Time deposits are accounted under cash and cash equivalents if they are in accord with the definition aforementioned definition, and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

(g) Financial instruments

Account receivables initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost, fair Value through other comprehensive income (FVOCI) – debt investment, FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, leases receivable, guarantee deposits paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment, as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

(Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘ credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 365 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers the assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, and foreign exchange gains and losses, are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The replacement cost of raw material is its net realizable value.

(i) Biological assets

Biological assets are measured at fair value, less costs to sell on initial recognition and at the end of each reporting period. Costs to sell are the incremental costs directly attributable to the disposal of the assets, excluding finance costs and income taxes. Gains and losses arising on initial recognized of biological assets at fair value, less costs to sell, and from changes in fair value, less costs to sell of biological assets, are recognized in profit or loss for the period in which they arise.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The Group's shares of profit or loss and other comprehensive income of investments accounted for using equity method are included, after adjustments to align the said investees' accounting policies with those of the Group, in the consolidated financial statements from the date on which significant influence commences until the date that significant influence ceases.

(Continued)

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group' s share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of the retained interest and the proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued, is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income is required to be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1)Buildings	1～56 years
(2)Machinery	1～16 years
(3)Instrument equipment	2～15 years
(4)Other equipment	1～16 years

The major components of the houses and buildings of the Group mainly comprised of main buildings, mechanical and electrical equipments and other equipments. And they are depreciated according to their residual life of 26~56 years, 15~26 years and 3~13 years respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owneroccupied to investment property.

(m) Lease

At inception of a contract, the Group assesses whether a 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.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

(Continued)

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents its right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

The Group has elected not to recognize the right-of-use assets and lease liabilities for short-term leases of its equipments that have a lease term of 12 months or less and leases of its low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

(n) Intangible assets

(i) Recognition and measurement

Intangible assets that the Group acquired are measured at cost, less accumulated amortization and impairment loss. Regarding investments using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment, and the impairment loss of such investments is not allocated to goodwill and any assets, but as part of the carrying amount of investment using the equity method.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software cost 3~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(Continued)

(o) Impairment – non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value, less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The group' s estimated obligations for dismantling, moving and lease improvements after initial acquisition or subsequent use for a period of time are recognized as costs and liabilities of the asset.

(q) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(Continued)

1) Sale of goods

The Group manufactures cooking oils, foods and beverages, as well as aquafeeds, and sells them to distributors. The Group recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group often offers volume discounts to its customers based on aggregate sales its products over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the credit term of its sales is consistent with the industry.

The Group sells cooking oils and foods, and pays slotting fees, logistics fees and product display fees, etc. to customers according to the sales and its contracts. Since the payment cannot been exchanged for distinguishable goods or services, it is redeemed as deduction of sales price and income.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Customer loyalty program

The Group operates a customer loyalty program to its retail customers. Retail customers obtain points for purchases made, which entitle them to discount on future purchases. The Group considers that the points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the discount granted when the points are redeemed, and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. The Group has recognized contract liability at the time of sale on the basis of the principle mentioned above. Revenue from the award points is recognized when the points are redeemed or when they expire.

(Continued)

3) Management services

The Group provides business transportation services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

4) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Group's net obligation in respect of the defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

(iii) Short-term employee benefits

Short-term employee benefits are expensed as related services are provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Group. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Group divided by weighted-average number of ordinary shares outstanding. The diluted earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Group, divided by weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment and COVID 19 within the next financial year are as follows:

(a) Impairment of trade receivable

When there is objective evidence of impairment loss, the Group takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding possible future credit losses) discounted at the financial asset's original effective interest rate. When the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to Notes 6(d) for further description of the impairment of trade receivable.

(Continued)

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for further description of the valuation of inventories.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

Please refer to notes listed as below for assumptions used in measuring fair value.

(a) Note 6(j) , Investment property

(b) Note 6(x) , Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 1,995	1,206
Check deposits	17,486	22,503
Cash in banks	8,243,728	1,437,007
Time deposits	176,259	191,855
Cash equivalents	64,944	11,989
Cash and cash equivalents	**$ 8,504,412**	**1,664,560**

Please refer to Note 6(x) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ -	712
Non-derivative financial assets		
Stocks listed on domestic markets	58,258	59,896
Beneficiary certificates open-end funds	37,108	33,190
Total	**$ 95,366**	**93,798**

(Continued)

	December 31, 2022	December 31, 2021
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ -**	**1,481**

(i) Please refer to Note 6(x) for disclosure on financial instrument related credit, exchange rate and interest rate risk.

(ii) The aforesaid financial assets were not pledged as collateral.

(iii) Derivative instruments not used for hedging

The Group holds derivative financial instruments to hedge certain foreign exchange and interest risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward exchange contracts:

	December 31, 2021		
	Contract amount (In thousands)	Exercise price	Exercise date
Buy option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12
Sell option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 1,503,413	108,329
Shares of stock of unlisted companies	1,155	1,155
Shares of stock of overseas unlisted companies	18,247	11,217
Total	**$ 1,522,815**	**120,701**

(i) The Group intends to hold its equity investments for long-term strategic purposes, rather than for transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) On December 5, 2022, due to the disposal of a portion of investment using equity method and the loss of significant influence, the Company transferred the investment to financial assets measured at fair value through other comprehensive income. Please refer to Note 6(g) for further details.

(Continued)

(iii) On December 31, 2021, the Group sold its equity investment measured at FVOCI-Xinxing Electronics Co. Ltd. for strategic purpose. The fair value at the time of disposal was $96,125 thousand and accumulated gain on disposal was amounted to $76,331 thousand, which was reclassified from other equity to retained earnings.

(iv) Please refer to Note 6(x) for credit risk and market risk.

(v) Please refer to Note 8 for details on pledged assets for bank loans on December 31, 2022. The aaforesaid financial assets were not pledged as collateral.

(d) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 164,053	163,881
Accounts receivable	869,424	800,311
Accounts receivable from related parties	487,544	452,151
Overdue receivables	11,452	11,378
Less：Allowance for impairment	(49,618)	(42,658)
	$ 1,482,855	**1,385,063**

The Group applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information.

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,388,642	0%~2.16%	29,991
Overdue 0 to 90 days	43,537	0%~0.01%	4
Overdue 91 to 180 days	-	0%~8.33%	-
Overdue 181 to 270 days	4	5.00~11.42%	-
Overdue 271 to 360 days	-	10.00~25.00%	-
Over 365 days past due	881	100%	881
Total	**$ 1,433,064**		**30,876**

(Continued)

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,289,229	0%~2.42%	31,114
Overdue 0 to 90 days	31,534	0%~0.9%	3
Overdue 91 to 180 days	-	1.38~8.33%	-
Overdue 181 to 270 days	-	5.73~11.42%	-
Overdue 271 to 360 days	-	13.04~33.33%	-
Over 365 days past due	844	100%	844
Total	**$ 1,321,607**		**31,961**

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 73,464	0.12%	88
Overdue 0 to 90 days	6,294	2.57%	161
Overdue 91 to 180 days	9,080	10.15%~87.25%	7,922
Overdue 181 to 270 days	-	10.28%	-
Overdue 271 to 360 days	-	25.00%	-
Over 365 days past due	9,911	100%	9,911
Total	**$ 98,749**		**18,082**

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 93,144	0.11%	97
Overdue 0 to 90 days	2,305	2.23%	51
Overdue 91 to 180 days	131	11.40%	15
Overdue 181 to 270 days	-	13.29%	-
Overdue 271 to 360 days	-	30.43%	-
Over 365 days past due	9,797	100%	9,797
Total	**$ 105,377**		**9,960**

Other than note receivables and account receivables mentioned above, the loss allowance provision at 100% expected loss rate was determined as follow:

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 660**	100%	**660**

(Continued)

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	$ 737	100%	737

The movements in the allowance for notes and accounts receivable were as follow:

	For the years ended December 31	
	2022	2021
Balance on January 1	$ 42,658	42,428
Impairment losses recognized	6,947	233
Foreign exchange losses (gains)	13	(3)
Balance on December 31	**$ 49,618**	**42,658**

As of December 31, 2022 and 2021, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables	$ 15,523	27,780
Less: allowance for impairment	(5,400)	(5,400)
	$ 10,123	**22,380**

The movements in the allowance for impairment for other receivables were as follow:

	For the years ended December 31	
	2022	2021
Balance on January 1	$ 5,400	5,400
Allowance for impairment	-	-
Balance on December 31	**$ 5,400**	**5,400**

As of December 31, 2022 and 2021, there were no other receivables that were past due but not impaired.

Please refer to Note 6(x) for the Group's notes and accounts receivable exposed to credit risk and currency risk.

As of December 31, 2022 and 2021, the aforesaid financial assets were not pledged as collateral.

(Continued)

(f) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 664,957	159,560
Materials	24,271	26,542
Work in process	381,736	173,563
Finished goods	429,724	300,391
Merchandise	69,567	51,510
	$ 1,570,255	**711,566**

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	For the Years Ended December 31	
	2022	2021
Operating cost		
Inventory price losses (gains) from price recovery of inventory	$ 498	(356)
Revenue from sale of scraps	(2,656)	(2,764)
Gains (losses) on physical inventory	3,350	(5,745)
Losses on disposal	5,837	5,088
Operating expenses	22,557	21,515
	$ 29,586	**17,738**

For the December 31, 2022 the price loss for the write down of inventories to the net realizable value resulted in the Group to recognize a loss; and for the year ended December 31, 2021, the Group recognized a gain from the reversal of allowance for inventory valuation loss resulting from destocking. Such gain was deducted from cost of goods sold.

As of December 31, 2022 and 2021, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using equity method

(i) Subsidiaries that have material non-controlling interest were as follows:

Name of Affiliates	Nature of relationship with the Group	Main operation location	Proportion of shareholding and voting rights	
			December 31, 2022	December 31, 2021
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling points for the Group	Taiwan	- %	22.47 %

(Continued)

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

	December 31, 2022	December 31, 2021
	$ -	12,413,713

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information is the fair value adjustment made during the acquisition and relevant differences in accounting principles between the Company and its subsidiaries as at the acquisition date. The intra-group transactions were not eliminated in this information.

Information regarding TAIWAN FAMILYMART CO., LTD. and its subsidiaries

	December 31, 2021
Current assets	$ 17,134,275
Non-current assets	50,472,010
Current liabilities	(33,982,369)
Non-current liabilities	(26,628,080)
Net assets	$ 6,995,836
Net assets attributable to non-controlling interests	$ 657,346
Net assets attributable to investee	$ 6,338,490

	For the Years Ended December 31
	2021
Operating revenue	$ 83,659,512
Net income	$ 1,409,749
Other comprehensive income	78,361
Total comprehensive income	$ 1,488,110
Comprehensive income attributable to non-controlling interests	$ 80,662
Comprehensive income attributable to investee	$ 1,407,448

(Continued)

	2022.1.1 ~2022.12.5	For the Years Ended December 31, 2021
Shares of net assets attributable to investee on January 1	$ 1,424,230	1,484,149
Comprehensive income attributable to the Group	275,431	316,254
Dividends from associates and joint ventures	(235,735)	(376,173)
subtotal	1,463,926	1,424,230
Add: investment property	20,000	20,000
Add: trademark	129,713	129,713
Add: goodwill	1,457,345	1,457,345
Book value of net equity of associates attributable to the Group on December 31	**$ 3,070,984**	**3,031,288**

On December 2, 2022, the Board of Directors of the Group decided to dispose of part of their holdings in TAIWAN FAMILYMART CO., LTD. On December 5, 2022, the Group sold 43,300 thousand shares for a net disposal price of NTD$7,986,979 thousand, based on a book value of NTD$2,648,969 thousand on the same day. The Group also recognized a foreign exchange difference of NTD$12,521 thousand for cumulative financial statements of overseas operations, with a recognized gain on disposal of investments of NTD$5,325,489 thousand. The shareholding ratio decreased from 22.47% to 3.07%, and the Group assessed that it had lost significant influence over TAIWAN FAMILYMART CO., LTD. The Group then reassessed their remaining 3.07% equity in TAIWAN FAMILYMART CO., LTD. at a fair value of NTD$1,309,576 thousand as of December 5, 2022, and recognized as a non-current financial asset measured at fair value through other comprehensive income. The Group also transferred the remaining book value of associated enterprise equity of NTD$422,015 thousand and recognized a foreign exchange difference of NTD$1,978 thousand, with a recognized gain on disposal of investments of NTD$885,583 thousand. The total disposal gain from the aforementioned transaction was NTD$6,211,072 thousand, please refer to Note 6 (w) for further information.

Due to the above disposal transaction, the Group also transferred the accumulated unrealized loss on financial asset measured at fair value through other comprehensive income of TAIWAN FAMILYMART CO., LTD. of NTD$13,287 thousand to retained earnings, which was previously recognized under the equity method.

(ii) Associates

The Group's financial information about investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2022	December 31, 2021
Carry amounts of individually insignificant associates' equity	**$ 304,201**	**282,630**

(Continued)

	For the Years Ended December 31	
	2022	2021
Attributable to the Group:		
Net gain	$ 57,233	42,122
Other comprehensive income (loss)	509	(639)
Comprehensive income	**$ 57,742**	**41,483**

(iii) Pledge to secure

As of December 31, 2021 the deals of the investment accounted for using equity method were pledged as collateral for long-term borrowings and credit lines, please refer to Note 8.

(h) Property, plant and equipment

The movement in the cost, depreciation, and impairment loss of the property, plant and equipment of the Group as of December 31, 2022 and 2021 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2022	$ 1,151,899	961,734	1,099,225	115,970	120,510	234,028	3,683,366
Additions	25,610	2,028	6,671	5,779	38,044	65,517	143,649
Disposals	-	-	(58,688)	(10,110)	(259)	-	(69,057)
Transfer in	-	1,650	216,095	-	18,810	-	236,555
Transfer out	-	-	-	-	-	(236,555)	(236,555)
Effect of movement in exchange rate	-	2,416	4,749	178	253	-	7,596
Balance on December 31, 2022	**$ 1,177,509**	**967,828**	**1,268,052**	**111,817**	**177,358**	**62,990**	**3,765,554**
Balance on January 1, 2021	$ 1,151,899	949,120	1,004,424	106,091	114,835	128,393	3,454,762
Additions	-	3,917	18,544	18,838	2,768	203,710	247,777
Disposals	-	-	(8,139)	(8,921)	(308)	-	(17,368)
Transfer in	-	9,280	85,520	-	3,275	-	98,075
Transfer out	-	-	-	-	-	(98,075)	(98,075)
Effect of movement in exchange rate	-	(583)	(1,124)	(38)	(60)	-	(1,805)
Balance on December 31, 2021	**$ 1,151,899**	**961,734**	**1,099,225**	**115,970**	**120,510**	**234,028**	**3,683,366**
Depreciation and impairment loss:							
Balance on January 1, 2022	$ -	703,756	868,460	68,771	95,081	-	1,736,068
Depreciation for the period	-	27,760	50,830	10,888	8,518	-	97,996
Disposals	-	-	(57,215)	(5,995)	(253)	-	(63,463)
Effect of movement in exchange rate	-	1,702	4,105	163	243	-	6,213
Balance on December 31, 2022	**$ -**	**733,218**	**866,180**	**73,827**	**103,589**	**-**	**1,776,814**
Balance on January 1, 2021	$ -	675,406	828,773	63,709	88,457	-	1,656,345
Depreciation for the period	-	28,748	48,478	10,605	6,990	-	94,821
Disposals	-	-	(7,816)	(5,507)	(308)	-	(13,631)
Effect of movement in exchange rate	-	(398)	(975)	(36)	(58)	-	(1,467)
Balance on December 31, 2021	**$ -**	**703,756**	**868,460**	**68,771**	**95,081**	**-**	**1,736,068**

(Continued)

Carrying amounts:	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Balance on December 31, 2022	$ 1,177,509	234,610	401,872	37,990	73,769	62,990	1,988,740
Balance on January 1, 2021	$ 1,151,899	273,714	175,651	42,382	26,378	128,393	1,798,417
Balance on December 31, 2021	$ 1,151,899	257,978	230,765	47,199	25,429	234,028	1,947,298

(i) Since the law in Taiwan does not allow a legal person or an entity to acquire any agricultural land beginning 2016, the title deed of the 14 pieces of agricultural land, amounting to NTD$45,389 thousand, located at parcel no.185 and 186 in the Daxin Section of Beidou Township, Changhua County, had been transferred to a natural person. However, the Group still keeps the original certificate of ownership of the real estate for security purpose.

(ii) Please refer to Note 6(w) for the disposal of profit and loss.

(iii) As of December 31, 2022 and 2021, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(i) Right-of-use assets

The movements in the cost and depreciation of the leased land and buildings were as follows:

	Land	Buildings	Total
Cost:			
Balance on January 1, 2022	$ 21,683	10,470	32,153
Additions	-	2,068	2,068
Reductions	-	(1,151)	(1,151)
Effect of movement in exchange rate	385	-	385
Balance on December 31, 2022	**$ 22,068**	**11,387**	**33,455**
Balance on January 1, 2021	$ 21,776	5,922	27,698
Additions	-	4,548	4,548
Effect of movement in exchange rate	(93)	-	(93)
Balance on December 31, 2021	**$ 21,683**	**10,470**	**32,153**
Accumulated depreciation:			
Balance on January 1, 2022	$ 10,695	6,962	17,657
Depreciation for the period	448	2,774	3,222
Reductions	-	(623)	(623)
Effect of movement in exchange rate	189	-	189
Balance on December 31, 2022	**$ 11,332**	**9,113**	**20,445**
Balance on January 1, 2021	$ 10,299	4,308	14,607
Depreciation for the period	440	2,654	3,094
Effect of movement in exchange rate	(44)	-	(44)
Balance on December 31, 2021	**$ 10,695**	**6,962**	**17,657**

(Continued)

	Land	Buildings	Total
Carrying amounts:			
Balance on December 31, 2022	**$ 10,736**	**2,274**	**13,010**
Balance on January 1, 2021	**$ 11,477**	**1,614**	**13,091**
Balance on December 31, 2021	**$ 10,988**	**3,508**	**14,496**

As of December 31, 2022 and 2021, the right-of-use assets were not pledged as collateral.

(j) Investment property

The following are the investment property, including properties, owned by the Group, with leases containing an initial noncancellable lease term of 1 to 2 years. Some leases provide the lessees with options to extend at the end of the term.

The rental revenue of investment property is a fixed amount.

The Group's investment properties were subsequently measured at cost after initial recognition, the details were as follows:

	Self-owned property		
	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2022	$ 566,062	155,112	721,174
Effect of movement in exchange rate	-	23	23
Balance on December 31, 2022	**$ 566,062**	**155,135**	**721,197**
Balance on January 1, 2021	$ 566,062	155,118	721,180
Loss of control of a subsidiary	-	(6)	(6)
Balance on December 31, 2021	**$ 566,062**	**155,112**	**721,174**
Depreciation and impairment loss:			
Balance on January 1, 2022	$ -	106,274	106,274
Depreciation for the year	-	1,757	1,757
Effect of movement in exchange rate	-	6	6
Balance on December 31, 2022	**$ -**	**108,037**	**108,037**
Balance on January 1, 2021	$ -	104,362	104,362
Depreciation for the year	-	1,914	1,914
Reclassifications	-	(2)	(2)
Balance on December 31, 2021	**$ -**	**106,274**	**106,274**

(Continued)

	Self-owned property		
	Land and improvements	Buildings	Total
Carrying amounts:			
Balance on December 31, 2022	**$ 566,062**	**47,098**	**613,160**
Balance on January 1, 2021	**$ 566,062**	**50,756**	**616,818**
Balance on December 31, 2021	**$ 566,062**	**48,838**	**614,900**
Fair value:			
Balance on December 31, 2022			**$ 1,054,079**
Balance on December 31, 2021			**$ 1,014,766**

(i) Investment property comprises a number of commercial properties that were leased to third parties. The subsequent lease term of each lease contract was negotiated with the lessee, and no contingent rent is charged.

(ii) The fair value of investment properties was based on recent transaction price of similar location and areas on the website of the Department of Land Administration M.O.I., the website of real estate trading, etc. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 3.

(iii) As of December 31, 2022 and 2021, the investment properties were not pledged as collateral.

(k) Short-term borrowings

	December 31, 2022	December 31, 2021
Letter of credit	$ 409,490	54,312
Unsecured bank loans	360,000	462,000
Total	**$ 769,490**	**516,312**
Unused credit lines	**$ 2,748,478**	**2,998,293**
Interest rates	**1.675%~6.13%**	**0.66%~1.53%**

Please refer to Note 6(x) for details on financial risk.

(Continued)

(l) Short-term notes and bills

The short-term notes and bills payable were summarized as follows:

	December 31, 2022			
	Guarantee or acceptance institution	Range of interest rates (%)	Amount	Unused credit lines
Commercial paper payable	International Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Ta Ching Bills Finance Corporation, China Bills Finance Corporation	1.95%~2.19%	$ 370,000	760,000

	December 31, 2021			
	Guarantee or acceptance institution	Range of interest rates (%)	Amount	Unused credit lines
Commercial paper payable	China Bills Finance Corporation, International Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Grand Bills Finance Corporation, Ta Ching Bills Finance Corporation	0.89%~1.30%	$ 520,000	720,000

As of December 31, 2022 and 2021, the Group did not pledge assets to provide collateral for commercial paper payable.

Please refer to Note 6(x) for details on financial risk.

(m) Account payable

	December 31, 2022	December 31, 2021
Payables to suppliers	$ 615,996	577,337

(n) Long-term borrowings

	December 31, 2022			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1.51%~2.25%	2023	$ 570,000
Less: Current portion				(570,000)
Total				$ -
Unused credit line				$ 1,030,000

(Continued)

	December 31, 2021			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1%~1.06%	2023	$ 750,000
Unsecured bank loans	NTD	1.26%	2024	300,000
Less: Current portion				-
Total				**$ 1,050,000**
Unused credit line				**$ 708,972**

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(x) for details on financial risk.

(o) Lease liabilities

The Group's lease liabilities were as follows：

	December 31, 2022	December 31, 2021
Current	**$ 1,718**	**2,498**
Non-current	**$ 566**	**977**

Please refer to Note 6(x) for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the years ended December 31	
	2022	2021
Interest on lease liabilities	**$ 30**	**41**
Expenses relating to short-term leases	**$ 536**	**573**
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	**$ 64**	**120**

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the Year Ended December 31	
	2022	2021
Total cash outflow for leases	**$ 3,357**	**3,441**

(i) Real estate leases

The Group leases house and buildings for its warehouses. The leases of warehouses typically run for a period of 1 to 3 years.

(Continued)

(ii) Other leases

The Group also leases office equipment with contract terms of one year, and these leases are short-term and/or leases of low-value items. The Group has elected not to recognize its right-of-use assets and lease liabilities for these leases.

(p) Operating leases

Leases as lessor

The Group leases out its investment property. The Group has classified these leases as operating leases because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(j) for more related information on operating leases of investment property.

A maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date is as follows:

	December 31, 2022	December 31, 2021
Less than one year	$ 11,073	8,859
One to two years	5,736	4,390
Two to three years	5,192	1,405
Three to four years	4,236	1,060
Four to five years	23	236
More than five years	55	55
Total undiscounted lease payments	**$ 26,315**	**16,005**

For the years ended December 31, 2022 and 2021, the rental revenues from investment properties amounted to $15,570 thousand and $11,220 thousand, respectively.

(q) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets is as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 183,898	232,437
Fair value of plan assets	(235,681)	(247,168)
Net defined benefit assets	**$ (51,783)**	**(14,731)**
Net defined benefit assets	$ (51,783)	(19,850)
Net defined benefit liabilities	-	5,119
	$ (51,783)	**(14,731)**

(Continued)

Employee benefit liabilities are listed as follows:

	December 31, 2022	December 31, 2021
Compensated absences liability	$ 12,744	12,744

The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for its employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Group sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

The Group's contributions to the pension funds were deposited with Bank of Taiwan amounting to $235,681 thousand as of the reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Defined benefit obligations on January 1	$ 232,437	238,431
Current service costs and interest	2,486	3,080
Remeasurements of the net defined benefit liability (asset)		
—Actuarial loss (gain) due to experience adjustments	2,806	2,913
—Actuarial (gain) loss from changes in financial assumption	(15,896)	6,972
Benefits paid by the plan	(37,935)	(18,959)
Defined benefit obligation on December 31	$ 183,898	232,437

(Continued)

3) Movements on the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Fair value of plan assets on January 1	$ 247,168	254,615
Interest revenue	1,279	1,692
Remeasurements of the net defined benefit liability (asset)		
—Return on plan assets (not including current interest cost)	19,691	2,952
Contributed amount	7,209	6,868
Benefits paid by the plan	(36,738)	(18,959)
Others	(2,928)	-
Fair value of plan asset on December 31	**$ 235,681**	**247,168**

4) Expenses recognized in profit and loss

The Group's pension expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Current service costs	$ 1,278	1,613
Net interests on net defined benefit liability (asset)	(71)	(225)
	$ 1,207	**1,388**
Operating costs	$ 465	1,045
Selling expenses	245	360
General and administrative expenses	497	101
	$ 1,207	**1,506**
Other profit and loss	**$ -**	**118**

(Continued)

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Group' s net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Cumulative amount on January 1	$ 123,095	116,162
Recognized during the year	(32,781)	6,933
Cumulative amount on December 31	**$ 90,314**	**123,095**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date are as follows:

	2022.12.31	2021.12.31
Discount rate	1.500%~1.750%	0.500~0.625%
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Group is expected to make a contribution payment of $7,200 thousand to the defined benefit plans for the one year period after the reporting date of 2022.

The weighted-average duration of the defined benefit plans is between 9.18~11.36 years.

7) Sensitivity analysis

In determining the present value of the defined benefit obligation, the Group' s management makes judgments and estimates in determining certain actuarial assumptions on the balance sheet date, which includes discount rate and future salary increase rate. Changes in actuarial assumptions may have significant impact on the amount of the defined benefit obligation.

As of December 31, 2022 and 2021, the changes in the principal actuarial assumptions that will have an impact on the present value of the defined benefit obligation were as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2022		
Discount rates	$ 2,018	3,691
Future salary increase rates	3,615	1,980
December 31, 2021		
Discount rates	(5,038)	5,197
Future salary increase rates	5,136	2,738

(Continued)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as that of the defined benefit obligation liability.

The analysis is performed on the same basis for both periods.

(ii) Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The costs of the pension contributions to the Labor Insurance Bureau for the years ended December 31, 2022 and 2021 amounted to $22,583 thousand and $21,280 thousand, respectively.

(r) Income tax

(i) The income tax expenses were as follows:

	For the Years Ended December 31	
	2022	2021
Current income tax expense		
Current period incurred	$ 349,326	29,880
Undistributed earnings additional tax	5,552	65
Prior years income tax adjustment	(32,402)	9,080
	322,476	39,025
Deferred tax expense		
Origin and reversal of temporary difference	(29,898)	4,600
Income tax expense from continuing operations	**$ 292,578**	**43,625**

(Continued)

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2022 and 2021 as follows:

	For the Years Ended December 31	
	2022	2021
Profit excluding income tax	$ 6,211,150	635,636
Income tax using the Company's domestic tax rate	$ 1,242,231	127,128
Effect tax rates in foreign jurisdiction	4,268	6,725
Non-deductible expenses	502	546
Gains from equity method	(67,582)	(68,796)
Dividends revenue	(1,781)	(5,672)
Recognition on previously unrecognized tax loss	(23,025)	(19,038)
Changes in unrecognized temporary differences	2,666	508
Undistributed earnings	5,552	65
(Over estimation) underestimation from prior period	(32,402)	9,080
Gains from disposal of investments	(1,242,176)	-
Basic income tax	345,408	-
Others	58,917	(6,921)
Total	**$ 292,578**	**43,625**

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2022	December 31, 2021
Pension expense	$ -	1,024
Tax-losses carryforward	19,950	44,062
Allowance losses	6,562	5,387
Losses on investment using equity method	88,672	88,672
Others	2,740	3,796
	$ 117,924	**142,941**

The above-meneioned defferred income tax assets were not recognized because the Group is not likely to have sufficient taxable income for use in the future.

(Continued)

As of December 31, 2022, the Group did not recognize its prior years' loss carry-foward as deferred tax assets. The expiry years thereof are as follows:

Remaining creditable amount	Remaining creditable tax amount	Year of expiration
$ 300	60	2023
430	86	2024
76,134	19,011	2025
293	59	2026
553	111	2027
3,051	610	2030
65	13	2032
$ 80,826	**19,950**	

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Inventory valuation loss	Loss deduction	Unrealized gross profit	Total
Deferred tax assets:				
Balance on January 1, 2022	$ 2,309	-	750	3,059
Recognize as profit or loss	-	30,431	-	30,431
Balance on December 31, 2022	**$ 2,309**	**30,431**	**750**	**33,490**
Balance on January 1, 2021	$ 2,309	4,600	750	7,659
Recognize as profit or loss	-	(4,600)	-	(4,600)
Balance on December 31, 2021	**$ 2,309**	**-**	**750**	**3,059**

(iv) Deferred tax liabilities

	December 31, 2022	December 31, 2021
Land value increment tax	$ 222,537	222,537
Pension expense	534	-
	$ 223,071	**222,537**

(Continued)

(v) Status of approval of income tax

Company	Year
The Company	2020
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	2020
TAIWAN NIKOMART CO., LTD.	2020
CHUANG SHIN TRAFFIC CO., LTD.	2020
TAISUN YUAN CO., LTD.	2020

(s) Share capital and other equity

As of December 31, 2022 and 2021, the authorized capital of the Company consisted of 1,000,000 thousand shares, respectively, at a par value of $10 per share, amounting to $10,000,000 thousand, respectively, with the outstanding shares amounting to $4,999,990 thousand.

(i) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2022	December 31, 2021
Treasury shares transactions	$ 71,496	57,888
Changes in equity of associates accounted for using equity method	17	17
Surplus from issuance of ordinary shares	915,977	915,977
Surplus from issuance of ordinary shares-employee stock options	4,132	4,132
Expired employee stock options	1,561	1,561
Others	13,559	13,559
	$ 1,006,742	**993,134**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

(Continued)

(ii) Retained earnings

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while the Company still have significant expansion of production capacity and vertical development plans in the next few years. The Company's Articles of Incorporation stipulate that the Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then at least 50% of the remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. However, more than 30% of the total dividend distribution in the current year shall be distributed in cash dividends, and the rest shall be distributed in the form of stock dividends.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

A resolution was approved during the shareholders' meeting on December 26, 2021 for the amendments of the Company's articles of association as follows:

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while it still have significant expansion of production capacity and development plans in the next few years. Therefore, the distribution of surplus earnings should first be used to offset any deficit after the end of each quarter. If the surplus earnings are to be distributed in cash, it should be reported during the stockholder's meeting, without needing of approval, in accordance with Article 228-1 and 240-5 of Company Act. The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior quarter's deficits, if any, after paying any income taxes. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate the earnings for special reserve. Of the remaining balance, 10% is to be appropriated as legal reserve, and the proportion of cash dividend shall not be less than 30% of the total dividend distribution.

If the cash dividend is less than NTD 0.1, the Board of Directors have the right not to distribute it.

1) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

(Continued)

2) Special reserve

The Company applied for exemptions during its first-time adoption of IFRSs, resulting in its retained earnings to increase by $240,776 thousand, incurred from unrealized revaluation increments, exchange differences on translation of foreign financial statements, and fair value of investment property being used as the cost on initial recognition at the transition date. In accordance with rules as issued by the Financial Supervisory Commission on April 6, 2012, a special reverse equals to the contra account of other shareholders' equity is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2022, and 2021, the Company recognized the special reserve related to all IFRSs adjustments amounting to $240,776 thousand.

When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.

The special reserve that was calculated at the end of the period through the difference between the market price and the book value of the parent company's shares held by its subsidiaries based on their shareholding percentage shall not be distributed. However, if the market price rebounds, the special reserve shall be reversed according to their shareholding percentage.

3) Earnings distribution

The amounts of cash dividends of appropriations of earnings for 2021 and 2020 had been approved in the Board of Directors' meetings on March 25, 2022 and in the shareholders' meeting on August 18, 2021, respectively. These earnings were appropriated as follows:

	2021	2020
Common stock dividends per share		
Cash	$ 499,999	699,999
Dividends per share	$ 1	1.4

For information on earnings distribution, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

There will be no earnings distribution for the third quarter of the year based on the resolution approved during the Board meeting held on March 15, 2023.

(iii) Treasury stock (held by the subsidiaries)

Before the amendment of the Company Law in 2001, the Company's subsidiaries purchased the Company's stock in the open market for investment purposes. Stock held by subsidiaries are deemed as treasury stocks.

(Continued)

The numbers of shares, book value and market price held by the Company's subsidiaries are as follows:

Subsidiaries	Beginning shares	Add	Less	Ending shares
2022				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**
2021				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

	December 31, 2022	December 31, 2021
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880
CHUANG SHIN TRAFFIC CO., LTD.	4,359	4,359
	$ 203,876	**203,876**

The stock prices of the Company as of December 31, 2022 and 2021, were NTD 32.55 and NTD 27.30 respectively.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2022	$ (34,553)	(71,400)	(105,953)
Exchange differences on foreign operation	10,683	-	10,683
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	91,361	91,361
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(5,242)	(5,242)
Disposal of investment accounted for using equity method	14,499	13,287	27,786
Disposal of investments in equity instruments designated at fair value through other comprehensive income of associates accounted for using equity method	-	9,570	9,570
Balance on December 31, 2022	**$ (9,371)**	**37,576**	**28,205**

(Continued)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2021	$ (31,870)	(44,007)	(75,877)
Exchange differences on foreign operation	(2,722)	-	(2,722)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	44,659	44,659
Changes in other comprehensive income (loss) of associates accounted for using equity methods	39	4,279	4,318
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(76,331)	(76,331)
Balance on December 31, 2021	**$ (34,553)**	**(71,400)**	**(105,953)**

(t) Earnings per share

The Group's basic earnings per share and diluted earnings for per share were calculated as follows:

	For the Years Ended December 31	
	2022	2021
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 5,918,495**	**591,827**
Weighted average number of ordinary shares	499,999	499,999
Less: impact of treasury stock	13,606	13,606
Adjusted weighted average number of ordinary shares	**486,393**	**486,393**
Earnings per share	**$ 12.17**	**1.22**
Diluted earnings per share		
Profit from continuing operation attributable to the Company (after adjusting the effect of diluted ordinary shares)	**$ 5,918,495**	**591,827**
Adjusted weighted-average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	8,485	1,643
Adjusted weighted-average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**494,878**	**488,036**
Earnings per share	**$ 11.96**	**1.21**

(Continued)

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Year Ended December 31, 2022				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 6,040,100	-	631,525	-	6,671,625
Bulk materials and aquafeeds	-	3,969,706	-	-	3,969,706
Service revenue	-	-	-	415,876	415,876
Rental revenue from investment properties	-	-	-	12,233	12,233
	$ 6,040,100	**3,969,706**	**631,525**	**428,109**	**11,069,440**

	For the Year Ended December 31, 2021				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 5,438,312	-	571,441	-	6,009,753
Bulk materials and aquafeeds	-	3,511,608	-	-	3,511,608
Service revenue	-	-	-	415,952	415,952
Rental revenue from investment properties	-	-	-	7,665	7,665
	$ 5,438,312	**3,511,608**	**571,441**	**423,617**	**9,944,978**

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 164,053	163,881	137,198
Notes receivable-related parties	-	-	2,700
Accounts receivable	869,424	800,311	661,594
Accounts receivable-related parties	487,544	452,151	390,134
Overdue receivable	11,452	11,378	12,059
Less: loss allowance	(49,618)	(42,658)	(42,428)
Total	**$ 1,482,855**	**1,385,063**	**1,161,257**
Contract liabilities-sales	**$ 53,777**	**47,351**	**39,800**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

(Continued)

The amount of revenue recognized for the year ended December 31, 2022 and 2021, which were included in the contract liabilities balance at the beginning of the period, were $44,770 thousand and $29,766 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied by transferring ownership to the customer and the payment to be received.

(v) Remunerations to employees and directors

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the the years ended December 31, 2022 and 2021, remuneration of employees of $267,000 thousand and $34,500 thousand, respectively, and remuneration of directors of $200,000 thousand and $27,000 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating expenses for the three months and the years ended December 31, 2022 and 2021, Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting.

There was no difference between the amounts approved in the Board of Directors meeting and the amounts distributed. For further information, please refer to Market Observation Post System website.

(w) Non-operating income and expenses

(i) Other gains and losses

The details of other gain and losses were as follows:

	For the Years Ended December 31	
	2022	2021
Dividend income	$ 8,906	9,394
Rental revenue	3,849	4,436
Foreign exchange gains	23,411	13,271
Gains on disposal of property, plant and equipment	648	654
(Losses) gains on financial assets at FVTPL	(7,542)	10,260
Directors' remunerations	7,943	13,467
Delivery service income	13,033	12,620
Other gains and losses	23,703	25,079
	$ 73,951	**89,181**

(Continued)

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2022	2021
Interest expense		
Bank loans	$ 26,982	11,318
Lease liability	30	41
	$ 27,012	**11,359**

(iii) Interest revenue

The details of interest revenue were as follows:

	For the Years Ended December 31	
	2022	2021
Bank deposits	$ 7,111	4,212
Others	502	143
	$ 7,613	**4,355**

(iv) Gains on disposal of investments

	For the Years Ended December 31	
	2022	2021
Gains on disposal of investment accounted for using equity method	**$ 6,211,072**	**-**

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Except for the Group's largest client, CENTRAL UNION OIL CORP., the Group did not have any major credit risk exposure to any individual counterparty or any "counterparties that have similar traits" (referred to by the Group as its "associates").

As of December 31, 2022 and 2021, the Group reviewed the concentrations of credit risk arising from its biggest customer-CENTRAL UNION OIL CORP., and it was both 26%, respectively, of the accounts receivable.

(Continued)

3) Accounts receivable of credit risk

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and time deposits, etc. All of these financial assets are considered to be low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Please refer to Note 6(e) for the movement of allowance for loss.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2022						
Non-derivative financial liabilities						
Lease liabilities	$ 2,284	2,309	1,233	505	571	-
Unsecured bank loans (NTD)	360,000	363,542	363,542	-	-	-
Unsecured bank loans (USD)	409,490	421,201	421,201	-	-	-
Secured bank loans (NTD)	570,000	580,716	5,385	575,358	-	-
Short-term notes and bills payable	370,000	370,000	370,000	-	-	-
Non-interest bearing liabilities	1,573,039	1,573,039	1,573,039	-	-	-
	$ 3,284,813	**3,310,807**	**2,734,400**	**575,863**	**571**	**-**
December 31, 2021						
Non-derivative financial liabilities						
Lease liabilities	$ 3,475	3,506	1,263	1,263	980	-
Unsecured bank loans (NTD)	462,000	464,864	464,864	-	-	-
Unsecured bank loans (USD)	54,312	54,504	54,504	-	-	-
Secured bank loans (NTD)	1,050,000	1,069,098	5,751	5,751	755,708	301,888
Short-term notes and bills payable	520,000	520,000	520,000	-	-	-
Non-interest bearing liabilities	1,051,847	1,051,847	1,051,847	-	-	-
	$ 3,141,634	**3,163,819**	**2,098,229**	**7,014**	**756,688**	**301,888**

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or in significantly different amounts.

(Continued)

(iii) Currency risk

1) Exposure of foreign currency risk

The Group's significant exposure to foreign currency risk is as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 6,101	30.708	188,260	15,045	27.690	415,578
USD : CNY	-	-	-	24	6.379	662
JPY : NTD	51,170	0.2324	11,892	-	-	-
CNY : NTD	5,088	4.4175	22,479	5,010	4.341	21,745
CNY : USD	13,000	0.144	57,428	13,000	0.157	56,428
Financial liabilities						
Monetary items						
USD : NTD	$ 13,335	30.708	409,490	1,961	27.690	54,312

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other financial assets-current, accounts receivable, other receivables and borrowings that are denominated in foreign currency. A 1% appreciation or depreciation of US dollar against New Taiwan dollar as of December 31, 2022 and 2021 would have increased (decreased) the pre-tax net income for the years ended December 31, 2022 and 2021 by $1,035 thousand and $3,521 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

3) Foreign exchange gains or losses on monetary item

Since the Group has various kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by the total amount. For the years ended December 31, 2022 and 2021, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $23,411 thousand and $13,271 thousand, respectively.

(Continued)

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

	Book value	
	December 31, 2022	December 31, 2021
Fixed rate instruments:		
Financial assets	$ 70,450	24,243
Financial liabilities	370,000	520,000
	$ (299,550)	**(495,757)**
Variable rate instruments:		
Financial assets	$ 8,419,987	1,628,862
Financial liabilities	1,339,490	1,566,312
	$ 7,080,497	**62,550**

The following sensitivity analysis is based on the risk exposure to interest rate risk of derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The report of the Group's internal management on the increases/decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by the management to be a reasonable change of interest rate.

If the interest rate increases / decreases by 0.5%, the Group's net income will decrease /increase by $28,322 thousand and $250 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remaining constant. This is mainly due to the Group's floating interest rate of cash in bank and borrowing factoring.

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows; assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain constant:

	For the years ended December 31			
	2022		2021	
Equity price on reporting date	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 5%	$ 60,913	3,815	4,828	3,723
Decrease 5%	(60,913)	(3,815)	(4,828)	(3,723)

(Continued)

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The Group measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows；however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets					
Listed Stocks	$ 58,258	58,258	-	-	58,258
Beneficiary Certificate-Open-end Funds	37,108	37,108	-	-	37,108
Subtotal	95,366	95,366	-	-	95,366
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 1,503,413	1,503,413	-	-	1,503,413
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Shares of stock unlisted on foreign markets	18,247	-	-	18,247	18,247
Subtotal	1,522,815	1,503,413	-	19,402	1,522,815
Financial assets at amortized cost					
Cash and cash equivalents	$ 8,504,412	-	-	-	-
Notes and accounts receivables (including related parties)	1,482,855	-	-	-	-
Other receivables (including related parties)	10,123	-	-	-	-
Other financial asset-current	5,506	-	-	-	-
Other financial asset-non current	15,487	-	-	-	-
Subtotal	10,018,383	-	-	-	-
Total	**$ 11,636,564**	**1,598,779**	**-**	**19,402**	**1,618,181**
Financial liabilities at amortized cost					
Short term borrowings	$ 769,490	-	-	-	-
Short term notes and bills payable	370,000	-	-	-	-
Notes and accounts payable (including related parties)	616,655	-	-	-	-
Other payables (including related parties)	949,854	-	-	-	-
lease liabilities (including non-current)	2,284	-	-	-	-
Long term borrowings (including current portion)	570,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	6,530	-	-	-	-
Subtotal	3,284,813	-	-	-	-
Total	**$ 3,284,813**	**-**	**-**	**-**	**-**

(Continued)

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 712	-	712	-	712
Non derivative financial assets					
Listed Stocks	59,896	59,896	-	-	59,896
Beneficiary Certificate-Open-end Funds	33,190	33,190	-	-	33,190
Subtotal	93,798	93,086	712	-	93,798
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 108,329	108,329	-	-	108,329
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Shares of stock unlisted on foreign markets	11,217	-	-	11,217	11,217
Subtotal	120,701	108,329	-	12,372	120,701
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,664,560	-	-	-	-
Notes and accounts receivable (including related parties)	1,385,063	-	-	-	-
Other receivables (including related parties)	22,380	-	-	-	-
Other financial asset-current	12,254	-	-	-	-
Other financial asset-non current	12,573	-	-	-	-
Subtotal	3,096,830	-	-	-	-
Total	**$ 3,311,329**	**201,415**	**712**	**12,372**	**214,499**
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 1,481	-	1,481	-	1,481
Financial liabilities at amortized cost					
Short term borrowings	$ 516,312	-	-	-	-
Short term notes and bills payable	520,000	-	-	-	-
Notes and accounts payable (including related parties)	578,056	-	-	-	-
Other payables (including related parties)	467,193	-	-	-	-
lease liabilities (including non-current)	3,475	-	-	-	-
Long term borrowings	1,050,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	6,598	-	-	-	-
Subtotal	3,141,634	-	-	-	-
Total	**$ 3,143,115**	**-**	**1,481**	**-**	**1,481**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value:

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the aforementioned definition, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Group have an active market, the measurements of fair value are categorized as follows:

- The listed stocks and beneficiary certificate-open-end funds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from competitor. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique which include model calculating with observable market data at the balance sheet date.

If the financial instruments held by the Group have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at net asset value method. By looking through the nature and the included items of each asset and liability item and collecting the market value information of each asset and liability for items whose book value may be different from the fair value, the Group needs to obtain the fair value of the Company's net assets, and calculate the Company's equity value. The discount effect is adjusted due to lack of market liquidity in equity securities.

(Continued)

b) Derivative financial instruments

These are based on the valuation model accepted by the most market users, ex: discount rate and option pricing model. Forward exchange agreement is usually based on the current forward rate. Fair value of structured financial instruments is based on appropriated valuation model, ex: Black-Scholes model, or other valuation model, ex: Monte Carlo simulation.

c) Financial instruments measured at fair value

The Group uses market-observable inputs as much as possible to measure its assets and liabilities. The different levels, wherein the inputs of valuation techniques are used to measure the fair value of financial and non-financial instruments have been defined as follows:

- Level 1: Quoted prices (unadjusted) 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.

4) Transfers between Level 1 and Level 2

There were no changes in the valuation techniques for fair value for the years ended December 31, 2022 and 2021. In addition, there have been no transfers from each level for the year ended December 31, 2022. Due to the transfer of the investee company from an emerging company to a listed company in 2021, the fair value level of the subsidiary was transferred from the second level to the first level.

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income-equity investments.

The Group's equity instrument investments without an active market in Level 3 have more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

(Continued)

Quantified information of significant unobservable inputs was as follow:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market method – comparable company analysis	·Market illiquidity discount (as of December 31, 2022 is 50%)	· The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)
Financial assets at fair value through other comprehensive income-equity investments without an active market	net asset value method	·net asset value	· Not applicable
		·Market illiquidity discount (as of December 31, 2022, and December 31, 2021 were 25%)	· The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)
Financial assets at fair value through profit or loss-equity investments without an active market	net asset value method	·net asset value	· Not applicable
		·Market illiquidity discount (as of December 31, 2022, and December 31, 2021 were 25%)	· The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income：

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2022						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	194	(194)
December 31, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	124	(124)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(Continued)

(y) Financial risk management

(i) Overview

The Group has exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks' exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized managements of core business departments for developing and monitoring the Group's risk management policies, wherein the management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group' s activities. The Group, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Internal Audit Department oversees how the management's supervision complies with the Group' s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group' s receivables from customers and investments in debt securities.

(Continued)

1) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. As of December 31, 2022 and 2021, the Group's sales to it's investee companies through equity method were both 26% among its total sales resepctively, and their business mainly focus on manufacturing and wholesales. The Group will continue to evaluate these investee companies to reduce credit risks. The Group' s customers are from many different industries. The Group does not concentrate on a specific customer, thus, there should be no concern on significant concentrations of accounts receivable credit risk. In order to mitigate account receivable credit risk, the Group constantly assesses the financial status of its customers.

2) Investment

The credit risk exposure for the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Group's finance department. As the Group deals with the banks and other external parties with good credit standing and financial institutions and corporate organization which are graded above investment level, management believes that the Group do not have compliance issues and no significant credit risk.

3) Guarantee

The Group's policy is to provide financial guarantees only to Group's subsidiaries and CENTRAL UNION OIL CORP. (the Company's long-term equity investment company through joint venture agreement). As of December 31, 2022 and 2021, the Group did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(iv) Liquidity risk

Liquidity risk is a risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that there is sufficient cash to meet the expected operating expenditure needs, including the fulfillment of financial obligations, and supervises the banking facilities to ensure compliance with the terms of loan agreements. As of December 31, 2022 and 2021, the Group' s unused credit line amounted to $4,538,478 thousand and $4,427,265 thousand, respectively.

(v) Market risk

Market risk is a risk that arises from changes in market prices, such as foreign exchange rates, interest rates and equity prices that affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(Continued)

The Group buys and sells derivatives in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (NTD) for the Taiwanese company and Chinese Yuan (CNY) for the company in Mainland China. Except for the purchases of bulk materials, which are denominated in US dollars, the remaining currencies used in transactions are denominated in NTD.

The Group uses foreign exchange options and forward exchange contracts to hedge currency risk. The length of the contract periods are determined by the maturity date and future cash flow of the Group's existing foreign currency debt.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

2) Interest rate risk

The policy of the Group is based on floating interest rate. At present, considering that the market interest rate is relatively low, no interest rate swap has been signed, and if the interest rates increase, the interest rate swap can also be adopted to reduce interest rate risk.

3) Other market price risk

Equity price risk is the risk arising from the Group holding Listed, OTC and emerging equity instruments, because the performance of the investment is actively monitored and managed on a fair value basis.

The main purpose of the merged Group's investment strategy is to maximize the return on investment; on the other hand, the board of directors and members of the financial department of the Group have the expertise in financial finance to make appropriate investment decisions, so the management is still controlling the market price risk of fair value through profit or loss investment.

(z) Capital management

The Group's policy is to manage its capital of safeguard the capacity to continue as a going concern, returns for continue to provide returns for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

(Continued)

	December 31, 2022	December 31, 2021
Total liabilities	$ 4,086,745	3,647,149
Less: cash and cash equivalents	(8,504,412)	(1,664,560)
Net debt	(4,417,667)	1,982,589
Total capital	12,567,859	6,991,127
Adjusted capital	**$ 8,150,192**	**8,973,716**
Debt to equity ratio	**(54.20)%**	**22.09%**

Note: The disposal of long-term equity investments resulted in a decrease in the debt-to-capital ratio from the previous period.

(aa) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021 were from foreign exchange movement.

(7) Related-party transactions:

(a) Names and relationship with the Group

The following are related parties that had transactions with the Group during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
CENTRAL UNION OIL CORP.	Equity-accounted Investee by the Company (associates)
TAIWAN FAMILYMART CO., LTD. (Note 1)	Substantive related parties (other related parties)
TAIWAN DISTRIBUTION CENTER CO., LTD. (Note 1)	〃
RE-YI DISTRIBUTION SERVICE CO., LTD. (Note 1)	〃
TAISUN FOODS & MARKETING CO., LTD. (Note 2)	〃

Note 1: Change from associates to other related parties effective December 5, 2022.

Note 2: No longer a related party since March 1, 2021.

(Continued)

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the Years Ended December 31	
	2022	2021
Associates:		
CENTRAL UNION OIL CORP.	$ 2,904,790	2,625,270
Other related parties	611,773	606,731
	$ 3,516,563	**3,232,001**

The selling prices of the products sold by the Group to related parties are comparable to those sold to unrelated parties. The payment terms for related parties are 45-60 days, while those for unrelated parties are 30-90 days. There is no collateral for accounts receivable from related parties, and no provision for bad debt expense is necessary after evaluation.

The Group provides services to its related parties and nonrelated parties, wherein the charges varies depending on the distance of the area and the nature of the contracted items. In addition, the payment term used by the subsidiary for its regular customers is at the end of each month. The Group' s credit terms for the physical distribution and publication distribution of related parties are 30 days and 45 days, respectively, after the end of the month, while the credit term for non-related parties is within 30 to 45 days after the end of the month.

There were no significant differences between the sales prices of soy powder to CENTRAL UNION OIL CORP. which is deducted from the related sales expenses based on the market prices, and those offered to non-related parties. The payment term for relates parties is within 45 to 60 days, while the credit term for non-relates parties is within 30 to 45 days after the end of the month.

The sales prices of food to TAISUN FOODS & MARKETING CO., LTD. is deducted from the related sales expenses based on the market price. The payment term of the original transaction is 50% advance receivables, and 50% monthly change-90 days promissory notes.

The Group's unrealized gross profit on sales with its associates is eliminated based on pro rata share.

(ii) Purchase of Goods and Processing Fee from Related Parties

	For the Years Ended December 31	
	2022	2021
Associates－CENTRAL UNION OIL CORP.	**$ 317,106**	**266,537**

The above payment term for purchasing goods from related parties is within 30 days upon the arrival of the goods, which is the same as those offered to other related parties. The processing fee incurred from the soybean oil refining and processing expenses outsourced by the Group to its related parties was made in advance according to the estimated processing volume, with payment terms reconciled within 15 days after the monthly settlement to make up the payment. In addition, the Group has no other refining and processing transaction outsourced to non-related parties.

(Continued)

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	December 31, 2022	December 31, 2021
Account receivable	Associates		
	－CENTRAL UNION OIL CORP.	$ 404,528	363,762
	Other related parties	83,016	88,389
		$ 487,544	**452,151**

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2022	December 31, 2021
Accounts payable	Associates	**$ 4,825**	**10,863**

(v) For the years ended December 31, 2022 and 2021, the Group recognized dividends revenue as follows:

	For the Years Ended December 31	
	2022	2021
Associates:		
－CENTRAL UNION OIL CORP.	$ 36,000	32,000
Other associates：		
－TAIWAN FAMILYMART CO., LTD.	235,641	376,023
	$ 271,641	**408,023**

(vi) For the years ended December 31, 2022 and 2021, the Group recognized remuneration to directors as follows:

	For the Years Ended December 31	
	2022	2021
Associates:	$ 536	507
－CENTRAL UNION OIL CORP.		
Other associates：		
－TAIWAN FAMILYMART CO., LTD.	7,407	12,960
	$ 7,943	**13,467**

(Continued)

(vii) Other

Accounts	Related party category	December 31, 2022	December 31, 2021
Other current liabilities	Other related parties	$ 12,650	9,809

(c) Key management personnel compensation

	For the Years Ended December 31	
	2022	2021
Short-term employee benefits	$ 251,440	69,399

(8) Pledged assets:

As of December 31, 2022 and 2021, the book value of pledged assets were as follows:

Pledged assets	Pledge to secure	December 31, 2022	December 31, 2021
Other current financial assets	Forward foreign exchange contract and foreign exchange options	$ 4,606	4,154
Other current financial assets	Deposit guarantee from provisional execution	900	8,100
Investment using equity method	Long-term bank loans	-	350,255
Non-current financial assets at fair value through other comprehensive income	Long-term bank loans	1,401,465	-
		$ 1,406,971	362,509

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2022	December 31, 2021
Unused standby letters of credit	$ 656,664	478,359

(b) The following are the contract price and the amount paid on fixed assets:

	December 31, 2022	December 31, 2021
Signed-contract	$ 76,339	300,766
Paid-price	$ 59,181	234,028

(Continued)

(c) As of December 31, 2022 and 2021, the Group has issued a promissory note of $250,000 thousand, as a guarantee for bank financing and performance.

(d) In May 2022, the Company entered into a 3-year authorization agreement, effective September 1, 2022, with MATSU LIQUOR FACTORY INDUSTRY CO., LTD. to distribute liquor at a total minimum amount of NTD 300,000 thousand.

(e) On December 2, 2022, the board of directors of the Company passed a resolution to dispose of 43,500 thousand shares held in TAIWAN FAMILYMART CO., LTD. As of December 31, 2022, the Company had disposed of 43,300 thousand shares through a large-scale transaction during trading hours and received the full payment. Regarding this transaction, which was authorized by the board of directors and completed in accordance with the rules of the Taipei Exchange, the Company received a notice from the Commercial Division of the Intellectual Property and Commercial Court on January 11, 2023, and of a civil lawsuit filed by EVERWIN INVESTMENT CO., LTD. and LONG BON INTERNATIONAL CO., LTD. to confirm the invalidity of the resolution of the 22nd Board of Directors' 8th Meeting, which authorized the disposal of the shares held in TAIWAN FAMILYMART CO., LTD. The reasons given were that the resolution was invalid because it did not comply with Article 185, Paragraph 1, Subparagraph 2 of the Company Act, which requires the submission of the above proposal to the shareholders' meeting for a special resolution, and the board of directors' convocation procedure was illegal. However, the Company had already consulted with lawyers on the matter of disposing of its shares in TAIWAN FAMILYMART CO., LTD. (as well as the holdings of FWUSOW INDUSTRY CO., LTD. and YI JINN INDUSTRIAL CO., LTD. , which were also included in the board of directors' proposal) before the board meeting, and the Company were advised that these were long-term investments and were recorded in the financial reports as non-operating income and expenses, which were not the Company's main business or assets. Even if the Company were to sell all their holdings, it would not prevent the Company's business from being successful or impede its operation. Therefore, the Company disposed of the TAIWAN FAMILYMART CO., LTD. shares to activate the value of our long-term equity investments, improve the shareholders' equity, and enhance the financial structure. This does not constitute a transfer of "all or a significant part of the business or property" as defined in Article 185, Paragraph 1, Subparagraph 2 of the Company Act, and the disposal procedure followed the same procedures as those for acquiring and disposing of assets, which were authorized by the board of directors and did not require the convening of a shareholders' meeting. In addition, the board of directors' authorization of this transaction and its convocation procedures were legal, so the plaintiff's claim that the board of directors' convocation procedures were illegal, and that the resolution was irreparably flawed and invalid is unfounded. The Company has already appointed a lawyer to file a defense on January 31, 2023, and the case is currently being heard by the Commercial Division of the Intellectual Property and Commercial Court under Case Nos. 56 and 57 of 2022, respectively. There is currently no significant impact on the Company's operations or finances.

(Continued)

(10) Losses due to major disasters: None.

(11) Subsequent events:

In March 2023, the company obtained a master distribution agreement for liquor in Taiwan from MATSU LIQUOR FACTORY INDUSTRY CO., LTD. The actual effective date of the contract will be notified by MATSU LIQUOR FACTORY INDUSTRY CO., LTD. after its sales plan is made. The authorization period is three years, and the total sales amount must not be less than NTD 1,589,000 thousand.

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the Years Ended December 31					
	2022			2021		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	309,353	811,927	1,121,280	223,099	441,532	664,631
Labor and health insurance	26,153	35,060	61,213	25,587	34,540	60,127
Pension	10,406	13,384	23,790	10,228	12,558	22,786
Others	16,734	18,692	35,426	16,439	17,914	34,353
Depreciation	93,704	11,352	105,056	90,497	11,255	101,752
Amortization	46	1,211	1,257	47	2,495	2,542

Depreciation for the years ended December 31, 2022 and 2021, both amounting to $475 thousand was recognized as other gains and losses.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group :

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	66,263	66,263	-	2.62%	2	-	Operation Requirements	-	-	-	1,256,267	2,512,534
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	57,428	57,428	57,428	2.5%	2	-	Operation Requirements	-	Promissory Notes	57,428	306,969	306,969

Note 1: Lending of capital has the following two types:
1.Entities with business transaction with the Company
2.Loans provided for short-term financing

Note 2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:
1.The Company's total amount available for lending shall not exceed 40% of its net value
2.For entities with business transaction with the Company, the total amount of loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of loans shall not exceed 10% of the Company's net value or 120% of its monthly business transaction with the Company.
3.For entities with business transaction with the Company, the total amount of short-term loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of short-term loans shall not exceed 10% of the Company's net value or 50% of the net value of the single entity.
4.For those foreign subsidiaries whose voting shares are directly or indirectly wholly owned by the Company, the total amount of loans shall not exceed 100% of the Company's net value, with two years term.

Note 3: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

Note 4: Intra-group transactions have been eliminated in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties: None

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	14,300	- %	14,300	- %	
The Company	Shin Kong Taiwan High Dividend Fund (A)	-	〃	500,000	12,895	- %	12,895	- %	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	33,000	9,913	- %	9,913	- %	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	49,042	0.87 %	49,042	0.87 %	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	0.07 %	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	18,848	- %	18,848	- %	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	〃	2,788	28	- %	28	- %	
The Company	Stock-MEGA 888 CORP.	-	〃	17,350	174	1.16 %	174	1.16 %	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	〃	79,000	853	0.09 %	853	0.09 %	
The Company	Stock-YIN-WANG CO., LTD	-	〃	10,000	100	10.00 %	100	10.00 %	
The Company	Stock-TAISUN FOODS & MARKETING CO., LTD.	-	〃	886,788	-	18.90 %	-	18.90 %	
The Company	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	3,765,000	70,594	1.17 %	70,594	1.17 %	
The Company	Stock-TAIWAN FAMILYMART CO., LTD.	Other associates	〃	6,836,417	1,401,465	3.06 %	1,401,465	22.46 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taitung Business Bank	-	Note 6	9,628	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	Note 3	1,183	79	- %	79	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	587	- %	587	- %	

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	Note 3	729	20	- %	20	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	〃	6,260	399	- %	399	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	12	- %	12	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	23	- %	23	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,536	41	- %	41	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	712	- %	712	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	107,550	1,624	- %	1,624	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	177	- %	177	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	565	16	- %	16	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	336,936	2.07 %	336,936	2.07 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-HUALON CORPORATION	-	〃	5,176	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PACIFIC ELECTRIC WIRE & CABLE CO., LTD.	-	〃	579	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	〃	27,425	-	- %	-	- %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-ORNATUBE ENTERPRISE CO., LTD.	-	〃	55,000	-	0.01 %	-	0.01 %	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KUEI HUNG INDUSTRIAL CO., LTD.	-	〃	22,000	-	- %	-	- %	
TAIWAN NIKOMART CO., LTD.	Stock-CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.	-	Note 2	117,700	9,216	0.04 %	9,216	0.04 %	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	96,354	0.59 %	96,354	0.59 %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 6	9,628	-	- %	-	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	11,995	0.07 %	11,995	0.07 %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,626	0.03 %	1,626	0.03 %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	130	- %	130	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	104	- %	104	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-Powerchip Technology Corporation	-	〃	27,624	-	- %	-	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	- %	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.01 %	-	0.01 %	

(Continued)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest Percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
CHUANG SHIN TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTER MAUFACTURING CO.	-	Note 3	38,995	1,243	- %	1,243	- %	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	18,247	3.66 %	18,247	3.66 %	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	86,000	1,613	0.03 %	1,613	0.03 %	
TAISUN YUAN CO., LTD.	Stock-TAIWAN FAMILYMART CO., LTD.	Other associates	〃	20,000	4,100	0.01 %	4,100	0.01 %	

Note 1: Financial products after deducting unrealized gains and losses.

Note 2: Financial assets at fair value through profit or loss.

Note 3: Non-current financial assets at fair value through other comprehensive income.

Note 4: Unissued shares.

Note 5: Subsidiaries and subsidiaries held by the Company have been written off when preparing the consolidated financial report.

Note 6: The liquidation procedure was completed on August 8, 2022.

(iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of Property	Account	counter-party	Relationship	Beginning		Buy		Sell				Ending Balance	
					Shares /Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Book value	Investment income (losses)	Shares/ Units	Amount (Note)
The Company	TAIWAN FAMILYMART CO., LTD.	Investment for using equity method	-	-	50,136,417	3,027,676	-	-	43,300,000	191	3,067,356	6,210,880	6,836,417	-
TATSUN YUANCO., LTD.	TAIWAN FAMILYMART CO., LTD.	Investment for using equity method	-	-	20,000	3,612	-	-	-	-	3,628	192	20,000	-

Note : The Company had lost significant influence over TAIWAN FAMILYMART CO., LTD. On December 5, 2022. And had been transferred from" investment for using equity method" to "non-current financial asset measured at fair value through other comprehensive income", please refer to Note6(g) for further information.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Sale	(2,093,274)	(22) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days for non-related party	506,762	34%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(2,904,790)	(30) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	General purchases payments in 30~45 days for non-related party	404,528	27%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Purchase	317,106	4 %	0A15	No comparable client	No comparable client	(4,825)	(1)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent Company	Purchase	2,093,274	96 %	OA60	No comparable client	No comparable client	(506,762)	(97)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Other associates	Sale	(115,774)	(5) %	OA45	No significant difference to the general customers	General purchases payments in 30~90 days for non-related party	19,700	4%	

(Continued)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
CHUANG SHIN TRAFFIC CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Other associates	Sale	(270,321)	(65) %	Physical distribution - OA30	No significant difference to the general customers	General purchases payments in 30~45 days for non-related party	22,977	53%	
CHUANG SHIN TRAFFIC CO., LTD.	RE-YI DISTRIBUTION SERVICE CO., LTD.	Other associates	Sale	(117,983)	(28) %	Publication distribution - OA45	No significant difference to the general customers	General purchases payments in 30~45 days for non-related party	20,551	47%	

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	CENTRAL UNION OIL CORP.	Subsidiary measured by equity method	Account receivable 404,528	7.56	-	-	404,528	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 506,762	4.40	-	-	496,452	-

(ix) Trading in derivative instruments: Please refer to Note 6(b)

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Sales revenue	2,093,274	OA60	18.91%
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Account receivable-related party	506,762	〃	3.04%
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Sales revenue	13,519	Unearned sales revenue	0.12%
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	57,428	Half-year imputed interest repay the principal when matured	0.34%

Note 1: The numbering is as follows:

1.“0” represents the parent company.

2.Subsidiaries are sequentially numbered from 1 by company.

Note 2: The types of transaction between the parent company and subsidiaries are as follows:

1.Transactions from parent company to subsidiary.

2.Transactions from subsidiary to parent company.

3.Transactions between subsidiaries.

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for the year ended December 31, 2022:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value				
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	24,352	73.92 %	2,526	(1,037)	Note 1, 3
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Taiwan	Wholesale and retail sales of cooking oil and food	346,126	346,126	21,255,839	99.93 %	235,429	99.93 %	52,112	41,731	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	15,800	100.00 %	6,323	6,323	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,498,670	1,498,670	40,290,000	100.00 %	306,969	100.00 %	62,243	62,243	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	304,201	33.33 %	171,698	57,233	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	-	2,341,622	-	- %	-	22.46 %	1,249,150	280,563	Note 5

(Continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Highest Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value				
The Company	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	7,610	13.26 %	(305)	(401)	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	96,456	84.21 %	(305)	Note 4	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	87,084	87,084	8,904,412	24.20 %	34,737	24.20 %	2,526	〃	Note 3
TATSUN YUAN CO., LTD.	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	-	3,522	-	- %	-	0.01 %	1,249,150	112	Note 5

Note 1: The part of holding of the Company's stock by a subsidiary, is treated as treasury stock, has been deducted; please refer to Notes 6(s).

Note 2: Unrealized gains and losses on transactions between affiliates have been eliminated.

Note 3: The impairment loss recognized with the indication of impairment has been deducted.

Note 4: Disclosures are exempted in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 5: The Company had lost significant influence over TAIWAN FAMILYMART CO., LTD. On December 5, 2022. And had transferred from" investment for using equity method" to " non-current financial asset measured at fair value through other comprehensive income", please refer to Note6(g) for further information. In addition, the disclosure period of the profit and loss of investee companies is from January 1, 2022 to November 30, 2022.

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	844,470 (USD27,500)	(Note 1)	1,025,647 (USD33,400)	-	-	1,025,647 (USD33,400)	66,700	100.00%	100.00%	66,700	229,628	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	38,999 (USD1,270)	(Note 6)	19,039 (USD620)	-	-	19,039 (USD620)	-	3.66%	3.66%	-	-	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	102,196 (USD3,328)	(Note 6)	22,417 (USD730)	-	-	22,417 (USD730)	-	3.66%	3.66%	-	1,355	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,067,103	1,469,378	7,537,603

Note 1: Indirect investment in Mainland China through the company (TAISUN (CAYMAN) INVESTMENT LTD.) in the third region.

Note 2: Indirect investment in Mainland China through an existing company in Mainland China. According to the rules of the Investment Board, Ministry of Economic Affairs, the reinvestment of investment businesses in Mainland China does not need to apply to the Investment Board; therefore, these investment amounts are not included in the calculation of the Company's investment in Mainland China.

Note 3: The recognition of the investment through profit or loss of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD. was based on the financial statements which were reviewed and attested by parent company's CPA in R.O.C. within the same period.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate 30.708 as of December 31, 2022.

Note 5: According to the rules of the Investment Board, Ministry of Economic Affairs, the maximum amount on investments should be the higher of the Company's net asset or 60% of the consolidated net assets.

Note 6: The Company reinvested 3.66% shareholding in YAMAI LIMITED, whose company is in Hong Kong and indirectly held 100% shares of its Mainland China company, through TAISUN (CAYMAN) INVESTMENT LTD. The Company does not have any significant influence on YAMAI LIMITED, therefore, no gain or loss on its investment was recognized.

(Continued)

(iii) For details of capital lending to TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD., please refer to Note 13(a).

(iv) Significant transactions:

For the direct or indirect significant transactions between the Group and its investees in Mainland China, which have been eliminated in the consolidated financial statements during the year of 2022, please refer to "Information on significant transaction".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	180,947,000	36.18 %
EVERWIN INVESTMENT CO., LTD.	58,729,000	11.65 %
JUN YUAN INVESTMENT CO., LTD.	28,754,000	5.75 %
CHU-YU INVESTMENT LTD.	25,149,000	5.02 %

(14) Segment information:

(a) General Information

The Four of Reportable segments of the Group are as follows:

(i) Consumption division: Processing, manufacturing, wholesale and retail of cooking oil-and-fat, foods and beverage.

(ii) Commodity division: Processing, wholesale and retail of feeds, soy powder and livestock farm.

(iii) Foreign division: Foreign segment provide services such as sales of food, beverages, snacks and beverage stores.

(iv) Other: construction segment and other management segments.

The reportable segments are strategic business units that provide different products and services. Each strategic business unit needs different kinds of technology and marketing strategy; hence, it must be managed separately. Furthermore, most of the divisions were acquired respectively, having retained the same management sections at the time of acquisition.

(Continued)

The Group's operating segment information and reconciliation are as follows:

For the Year Ended December 31, 2022	Consumption division	Commodity division	Foreign division	Other	Adjustment and eliminations	Total
Total revenue	$ 6,040,100	3,969,706	631,525	428,109	-	11,069,440
Reportable segment profit or loss	$ 96,248	80,107	62,243	5,972,552	-	6,211,150
For the Year Ended December 31, 2021						
Total revenue	$ 5,438,312	3,511,608	571,441	423,617	-	9,944,978
Reportable segment profit or loss	$ 202,660	85,673	68,560	278,743	-	635,636

Note : Since the measured amount of assets of the Group was not provided to the operating decision maker, it was disclosed as zero.

(b) Geographic information

The different information of the Group, in which the revenue is classified by the customer's geographic location, is as follows:

Region	For the Years Ended December 31 2022	2021
Revenue from external customers:		
Taiwan	$ 10,059,803	9,067,395
Others	1,009,637	877,583
	$ 11,069,440	**9,944,978**

(c) Major Customer

Sales

	For the Years Ended December 31 2022	2021
Company A	**$ 2,904,790**	**2,625,270**

Independent Auditors' Report

To the Board of Directors of Taisun Enterprise Co., Ltd.:

Opinion

We have audited the non-consolidated financial statements of Taisun Enterprise Co., Ltd. ("the Company"), which comprise the non-consolidated statement of financial position as of December 31, 2022 and 2021, and the non-consolidated statement of comprehensive income, non-consolidated statement of changes in equity and non-consolidated statement of cash flows for the years then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the report of other auditors (please refer to Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with 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 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 Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Emphasis of the Matter

As stated in Note 9(e) of the financial statements, on January 11, 2023, Taisun Enterprise Co., Ltd. received a notice from the Intellectual Property and Commercial Court and a civil lawsuit filed by EVERWIN INVESTMENT CO., LTD. and LONG BON INTERNATIONAL CO., LTD. requesting confirmation that the resolution of the Board of Directors Taisun Enterprise Co., Ltd. to "dispose of the shares of TAIWAN FAMILYMART Co., Ltd. held by the Company" is invalid. Taisun Enterprise Co., Ltd. has already appointed a lawyer to file a defense, and the cases are being reviewed separately by the Intellectual Property and Commercial Court under Case Nos. 56 and 57 of 2022. Our opinion is not modified in respect of this matter.

Key Audit Matters

Based on our professional judgment, key audit matters pertain to the most important matters in the audit of non-consolidated financial statements for the year ended December 31, 2022 of Taisun Enterprise Co., Ltd.. Those matters have been addressed in our audit opinion on the said non-consolidated financial statements and during the formation of our audit opinion. However, we do not express an opinion on these matters individually. The key audit matters that, in our professional judgment, should be communicated are as follows:

1. Calculation of Gains on Disposal of Investments

   Regarding the accounting policy for related-party investments, please refer to Note 4(i). For the explanation of gains on disposal of equity method investments, please refer to Note 6(g) and (u).

   (a) Key audit matters:

   The gains on disposal of investment for using the equity method by the Company is NT$6,210,880 thousand. As the gain on disposal is significant, the accuracy of the calculation of the disposal gain or loss has a material impact on the financial statements. Therefore, the calculation of the gain on disposal of investments is considered as one of our key audit matters.

   (b) Audit procedures performed:

   - Obtaining the minutes of the Board of Directors' resolution on the disposal of investments and testing the internal controls for the acquisition or disposal of assets. Also, obtaining the stock delivery certificates and verifying the settlement statements to confirm the collection of transaction prices, recalculating the disposal investment gain or loss, and checking whether it is correctly recorded in the accounts.

   - We also assessed the appropriateness of the disclosure information in the notes to the financial statements regarding the gain on disposal of investments.

2. Revenue recognition

   Please refer to Note 4(q) “Revenue” for the accounting priciples on the recognition of revenues and Note 6(s) “Revenue from Contracts with Customers” for details on revenue recognition.

   (a) Key audit matters:

   The Company engages in the manufacturing and sales of cooking oil, food, beverages and aquafeeds. Revenue recognition on the sales of the Company’s products is the timing of the transfer of control of the product depending on the individual terms with the customers, as well as the terms of acceptance and return of goods based on the sale contracts between the Company and its customers. There is risk of misstatement when the timing of revenue recognition is earlier than the transfers of control. It may result in ristk of inappropriate revenue recognition. Therefore, revenue recognition is considered as one of our key audit matters.

   (b) Audit procedures performed:

   - Understanding and testing the design, operation and implantation of the effectiveness of internal control on revenue recognition; understanding the major types of revenue, contract terms and transaction terms to determine the appropriateness timing of revenue recognition; We also perform random sampling of major customers and reviewing their contracts and sales orders to evaluate revenue recognition; random sampling of transaction records of sales within the balance sheet date and obtaining the related transaction documents to evaluate the appropriateness of timing of revenue recognition.

   - We also assessed whether the Company’ s disclosure of informontion on revenue recognition was appropriate.

3. Accounts receivable evaluation

Please refer to Note 4(f) for accounting policies on accounts receivable evaluation, Note 5(a) for estimation of accounts receivable evaluation, and Note 6(d) for impairment evaluation of notes receivable, accounts receivable and other receivables.

(a) Key audit matters:

Since the Company's accounts receivable stands a significant ratio in the total asset of the statement of financial position, and the collectability of accounts receivable is subjected to the subjective judgement the management, the impairment of accounts receivable is deemed to be one of our key audit matters.

(b) Audit procedures performed:

- Assessing the appropriateness of accounts receivable and acquiring the estimations and historical trend of collection from relevant authorities; obtaining the aging analysis of accounts receivable and examining relevant documents to verify the accuracy of the aging period; understanding the recent trend of the industry and the long overdue accounts receivable of major customers to identify whether signs of impairment loss exist in order to assess the appropriateness of provision for doubtful accounts; and evaluating the reasonableness of the judgement of the managements based on the subsequent collection of accounts receivable.

- We also assessed whether the Company's disclosure of informontion on revenue recognition was appropriate.

Other Matters

We did not audit the financial statements of certain associates. Those statements were audited by other auditors, and our opinion, insofar as it relates to the amounts included for those associates, is based solely on the report of the other auditors. The financial statements of these associates reflect the total assets constituting 1.88% and 32.41% of total assets on December 31, 2022 and 2021 ; and the related share of profit of subsidiaries accounted for using the equity method constituting 0.92% and 54.77% of total profit before tax for the years ended, respectively.

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

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

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

Those charged with governance (induding the Audit Commttee) are responsible for overseeing Taisun Enterprise Co., Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-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 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtained 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 Taisun Enterprise Co., Ltd.'s internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Taisun Enterprise Co., Ltd.'s ability to continue as a going concern. If we determine that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the non-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 Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the 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 Taisun Enterprise Co., Ltd.. We are responsible for the direction, supervision and performance of the 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 non-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.

The engagement partners on the audit resulting in this independent auditors' report are Hsin-Ting Huang and Kuo-Yang Tseng.

KPMG

Taipei, Taiwan (Republic of China)
March 31, 2023

Notes to Readers

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

The independent auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note 6(a))	$ 8,006,443	49	1,268,500	13
1110	Current financial assets at fair value through profit or loss (Note 6(b))	86,150	1	85,174	1
1150	Notes receivable, net (Note 6(d))	112,878	1	127,330	1
1170	Accounts receivable, net (Note 6(d))	451,218	3	431,690	4
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	914,489	6	812,934	8
1200	Other receivables, net (Note 6(e))	5,554	-	15,477	-
1210	Other receivables due from related parties, net (Notes 6(e) and 7)	4,269	-	25,252	-
1310	Inventories, manufacturing business (Note 6(f))	1,473,723	9	641,727	6
1400	Current biological assets	21,260	-	26,023	-
1421	Prepayments to suppliers	361,187	2	609,207	6
1429	Other prepayments	20,582	-	41,302	-
1476	Other current financial assets (Note 8)	5,506	-	12,254	-
1479	Other current assets, others	2,499	-	3,615	-
		11,465,758	71	4,100,485	39
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c), (g) and 8)	1,492,062	9	98,530	1
1550	Investments accounted for using equity method (Notes 6(g), 8 and 9)	894,361	6	3,774,163	37
1600	Property, plant and equipment (Note 6(h))	1,731,135	11	1,677,382	17
1760	Investment property, net (Note 6(i))	534,838	3	536,059	6
1780	Intangible assets	519	-	1,730	-
1830	Non-current biological assets	7,065	-	7,326	-
1840	Deferred tax assets (Note 6(p))	33,146	-	2,714	-
1975	Net defined benefit asset, non-current (Note 6(o))	49,110	-	16,921	-
1980	Other non-current financial assets	12,611	-	10,968	-
		4,754,847	29	6,125,793	61
	Total assets	**$ 16,220,605**	**100**	**10,226,278**	**100**

		December 31, 2022		December 31, 2021	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Note 6(j))	$ 759,490	5	504,312	5
2110	Short-term notes and bills payable (Note 6(k))	350,000	2	500,000	5
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	1,481	-
2150	Notes payable	278	-	278	-
2170	Accounts payable (Notes 6(l) and 7)	543,497	3	498,966	5
2200	Other payables (Notes 6(o) and 7)	840,121	5	370,640	4
2230	Current tax liabilities (Note 6(p))	336,323	2	62,323	1
2322	Long-term borrowings, current portion (Note 6(m))	570,000	4	-	-
2399	Other current liabilities, others	31,470	-	25,540	-
		3,431,179	21	1,963,540	20
	Non-Current liabilities:				
2540	Long-term borrowings (Note 6(m))	-	-	1,050,000	10
2570	Deferred tax liabilities (Note 6(p))	222,537	2	222,537	2
2670	Other non-current liabilities, others	4,217	-	4,219	-
		226,754	2	1,276,756	12
	Total liabilities	3,657,933	23	3,240,296	32
	Equity (Notes 6(c), (g) and (q)):				
3110	Ordinary share	4,999,990	31	4,999,990	49
3200	Capital surplus	1,006,742	6	993,134	10
	Retained earnings:				
3310	Legal reserve	276,984	2	209,930	2
3320	Special reserve	240,776	1	240,776	2
3350	Unappropriated retained earnings	6,213,851	38	851,981	8
3400	Other equity interest	28,205	-	(105,953)	(1)
3500	Treasury stock	(203,876)	(1)	(203,876)	(2)
	Total equity	12,562,672	77	6,985,982	68
	Total liabilities and equity	**$ 16,220,605**	**100**	**10,226,278**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(o), (s) and 7)**	$ 9,615,949	100	8,622,713	100
5000	**Operating costs (Notes 6(f), (o) and 7)**	8,728,603	91	7,606,870	88
5910	Less:Unrealized profit (loss) from sales	22,008	-	16,728	-
5920	Add:Realized profit (loss) on from sales	16,728	-	16,462	-
5900	**Gross profit from operations**	882,066	9	1,015,577	12
6000	**Operating expenses (Notes 6(d), (o), (t) and 7):**				
6100	Selling expenses	754,588	9	616,269	7
6200	Administrative expenses	620,768	6	287,984	4
6450	Expected credit loss	7,000	-	-	-
	Total operating expenses	1,382,356	15	904,253	11
6900	**Net operating (loss) income**	(500,290)	(6)	111,324	1
7000	**Non-operating income and expenses:**				
7020	Other gains and losses, net (Note 6(u))	73,278	1	72,641	1
7050	Finance costs, net (Note 6(u))	(26,583)	-	(10,651)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net (Note 6(g))	446,655	5	452,992	5
7100	Total interest income (Notes 6(u) and 7)	2,303	-	1,818	-
7225	Gains on disposals of investments (Notes 6(g), (u) and 9)	6,210,880	64	-	-
	Total non-operating income and expenses	6,706,533	70	516,800	6
	Profit from continuing operations before tax	6,206,243	64	628,124	7
7950	Less: Income tax expenses (Note 6(p))	287,748	3	36,297	-
	Profit	5,918,495	61	591,827	7
8300	**Other comprehensive income:**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans (Notes 6(o) and (q))	26,099	-	(6,402)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	87,776	1	48,832	1
8330	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	5,529	-	8,891	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will not be reclassified to profit or loss	119,404	1	51,321	1
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	10,683	-	(2,722)	-
8380	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	-	-	39	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss	10,683	-	(2,683)	-
8300	**Other comprehensive income**	130,087	1	48,638	1
	Total comprehensive income	**$ 6,048,582**	**62**	**640,465**	**8**
	Basic earnings per share (Note 6(r))				
9750	Basic earnings per share	**$**	**12.17**		**1.22**
9850	Diluted earnings per share	**$**	**11.96**		**1.21**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings				Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury stock	Total equity
Balance at January 1, 2021	$ 4,999,990	974,083	126,621	240,776	964,748	1,332,145	(31,870)	(44,007)	(75,877)	(203,876)	7,026,465
Profit	-	-	-	-	591,827	591,827	-	-	-	-	591,827
Other comprehensive income	-	-	-	-	2,383	2,383	(2,683)	48,938	46,255	-	48,638
Total comprehensive income	-	-	-	-	594,210	594,210	(2,683)	48,938	46,255	-	640,465
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	83,309	-	(83,309)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(699,999)	(699,999)	-	-	-	-	(699,999)
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	19,051	-	-	-	-	-	-	-	-	19,051
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	76,331	76,331	-	(76,331)	(76,331)	-	-
Balance at December 31, 2021	4,999,990	993,134	209,930	240,776	851,981	1,302,687	(34,553)	(71,400)	(105,953)	(203,876)	6,985,982
Profit	-	-	-	-	5,918,495	5,918,495	-	-	-	-	5,918,495
Other comprehensive income	-	-	-	-	33,285	33,285	10,683	86,119	96,802	-	130,087
Total comprehensive income	-	-	-	-	5,951,780	5,951,780	10,683	86,119	96,802	-	6,048,582
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	67,054	-	(67,054)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(499,999)	(499,999)	-	-	-	-	(499,999)
Adjustments of capital surplus for the Company’s cash dividends received by subsidiaries	-	13,608	-	-	-	-	-	-	-	-	13,608
Disposal of investments accounted for using equity method	-	-	-	-	(13,287)	(13,287)	14,499	13,287	27,786	-	14,499
Disposal of investments in equity instruments designated at fair value through other comprehensive income by associates accounted for using equity method	-	-	-	-	(9,570)	(9,570)	-	9,570	9,570	-	-
Balance at December 31, 2022	**$ 4,999,990**	**1,006,742**	**276,984**	**240,776**	**6,213,851**	**6,731,611**	**(9,371)**	**37,576**	**28,205**	**(203,876)**	**12,562,672**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	$ 6,206,243	628,124
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	81,940	75,672
Amortization expense	1,211	2,495
Expected credit losses	7,000	-
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	8,134	(9,383)
Interest expense	26,583	10,651
Interest income	(2,303)	(1,818)
Dividend income	(8,121)	(8,509)
Shares of profit of associates and joint ventures accounted for using equity method	(446,655)	(452,992)
Gains on disposal of property, plan and equipment	(42)	(98)
Gain on disposal of investments accounted for using equity method	(6,210,880)	-
Unrealized profit from sales	22,008	16,728
Realized profit on from sales	(16,728)	(16,462)
Total adjustments to reconcile profit (loss)	(6,537,853)	(383,716)
Changes in operating assets and liabilities:		
Increase in current financial assets at fair value through profit or loss	(591)	(14,229)
Decrease (increase) in notes receivable	14,452	(21,997)
Decrease in notes receivable due from related parties	-	2,700
Increase in accounts receivable	(26,528)	(77,957)
Increase in accounts receivable due from related parties	(101,555)	(132,958)
Increase in other receivables	(2,003)	(774)
Increase in other receivable due from related parties	(720)	(673)
Increase in inventories	(831,996)	(116,268)
Decrease (increase) in biological assets	2,470	(7,210)
Decrease (increase) in prepayments	268,740	(336,201)
Decrease in other current assets	1,117	1,132
Increase in net defined benefit assets	(6,091)	(4,374)
Increase in current financial liabilities at fair value through profile or loss	-	4,095
Increase in accounts payable	44,531	37,018
Increase in other payables	469,481	5,027
Increase in other current liabilities	5,930	8,981
Total adjustments	(6,700,616)	(1,037,404)
Cash inflow generated from operations	(494,373)	(409,280)
Interest received	2,303	1,818
Interest paid	(26,583)	(10,651)
Income taxes paid	(42,254)	(4,997)
Net cash flows from (used in) operating activities	(560,907)	(423,110)

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

TAISUN ENTERPRISE CO., LTD.

Non-Consoidated Statements of Cash Flows (CONT'D)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	**2021**
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	96,125
Proceeds from disposal of investments accounted for using equity method	7,986,979	-
Acquisition of property, plant and equipment	(133,401)	(219,712)
Proceeds from disposal of property, plant and equipment	1,525	115
Increase in other receivables due from related parties	-	(21,745)
Decrease in other receivables due from related parties	21,703	57,551
Increase in other financial assets	(374,181)	(14,886)
Decrease in other financial assets	379,286	148,658
Dividends received	291,762	417,619
Net cash flows from (used in) investing activities	8,173,673	463,725
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	10,440,216	6,727,061
Decrease in short-term loans borrowings	(10,185,038)	(6,330,776)
Increase in short-term notes and bills payable	2,035,000	2,380,000
Decrease in short-term notes and bills payable	(2,185,000)	(1,880,000)
Proceeds from long-term borrowings	-	450,000
Repayments of long-term borrowings	(480,000)	-
(Decrease) increase in other non-current liabilities	(2)	1,151
Cash dividends paid	(499,999)	(699,999)
Net cash flows from (used in) financing activities	(874,823)	647,437
Net increase (decrease) in cash and cash equivalents	6,737,943	688,052
Cash and cash equivalents at beginning of period	1,268,500	580,448
Cash and cash equivalents at end of period	**$ 8,006,443**	**1,268,500**

See accompanying notes to parent company only financial statements.

(1) Company history

Taisun Enterprise Corporation (the "Company") was established on October 21, 1960 in Taiwan, the Republic of China, with the approval of the Ministry of Economic Affairs. It's registered office is located at No.6 Xinggong Rd. Tianzhong Township, Changhua County. The major business activities of the Company are the manufacturing and sales of cooking oil, food, beverages and aquafeeds .

(2) Approval date and procedures of the financial statements:

The parent company only financial statements were authorized for issuance by the Board of Directors on March 31, 2023.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2022:

- Amendments to IAS 16 "Property, Plant and Equipment－Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts－Cost of Fulfilling a Contract"
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 "Reference to the Conceptual Framework"

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its financial statements:

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

(Continued)

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 – Comparative Information"
- IFRS16 "Requirements for Sale and Leaseback Transactions"

(4) Summary of significant accounting policies:

The significant accounting policies presented in the financial statements are summarized below. Except for those specifically indicated in Note 3, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") .

(b) Basis of preparation

(i) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the balance sheets:

1) Financial instruments at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income are measured at fair value;

3) The net defined benefit liability is recognized as the present value of the defined benefit obligation, less the fair value of plan assets and evaluation on the impact of upper limit in Note 4(r).

(ii) Functional and presentation currency

The functional currency of each Company entities is determined based on the primary economic environment in which the entities operate. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(Continued)

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences related to an investment in equity securities designated as at fair value through other comprehensive income, which is recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from, or payable to, a foreign operation is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current when：

(i) It is expected to be realized, or intended to be sold or consumed, during the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(Continued)

(iv) The asset is cash and cash equivalent (as defined in IAS 7) 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:

(i) It is expected to be settled within the Company's normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) The liability is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement 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 issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand, check deposits and demand deposits. Cash equivalents are assets that are readily convertible to known amounts of cash, and are subject to an insignificant risk of changes in their fair value.

Time deposits are accounted under cash and cash equivalents if they are in accord with the definition aforementioned definition, and are held for the purpose of meeting short-term cash commitment rather than for investment or other purpose.

(f) Financial instruments

Account receivables initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value, plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at amortized cost; fair value through other comprehensive income (FVOCI) – debt investment, FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(Continued)

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

(Continued)

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivables, leases receivable, guarantee deposits paid and other financial assets), debt investments measured at FVOCI and contract assets.

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company' s historical experience and informed credit assessment, as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 365 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ' investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(Continued)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘ credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer;

· a breach of contract such as a default or being more than 365 days past due;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

· it is probable that the borrower will enter bankruptcy or other financial reorganization; or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers the assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(Continued)

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Treasury shares

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is recognized in capital surplus or retained earnings (if the capital surplus is not sufficient to be written down).

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value, and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense, and foreign exchange gains and losses, are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(Continued)

6) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(iii) Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The replacement cost of raw material is its net realizable value.

(h) Biological assets

Biological assets are measured at fair value, less costs to sell on initial recognition and at the end of each reporting period. Costs to sell are the incremental costs directly attributable to the disposal of the assets, excluding finance costs and income taxes. Gains and losses arising on initial recognized of biological assets at fair value, less costs to sell, and from changes in fair value, less costs to sell of biological assets, are recognized in profit or loss for the period in which they arise.

(i) Investment in associates

Associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition, less any accumulated impairment losses.

The Company's shares of profit or loss and other comprehensive income of investments accounted for using equity method are included, after adjustments to align the said investees' accounting policies with those of the Company, in the consolidated financial statements from the date on which significant influence commences until the date that significant influence ceases.

(Continued)

Gains and losses resulting from the transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest 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.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of the retained interest and the proceeds from disposal, and the carrying amount of the investment at the date the equity method was discontinued, is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income is required to be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (or retained earnings) when the equity method is discontinued.

(j) Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the non-consolidated financial statements. Under equity method, the net income, other comparehensive income and equity in the non-consolidated financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership are recognized as equity transaction.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

(Continued)

(l) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

(1)Buildings	1～56 years
(2)Machinery	1～16 years
(3)Transportation equipment	2～ 7 years
(4)Other equipment	1～16 years

The major components of the houses and buildings of the Group mainly comprised of main buildings, mechanical and electral equipments and other equipments And they are depreciated accrding to their residual life of 26~56 years, 15~26 years and 3~13 years respectively.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Reclassification of self-used properties into investment properties

The Company used the book value of its self-used properties to reclassify them into investment properties.

(Continued)

(m) Lease

At inception of a contract, the Company assesses whether a 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.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payment;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

Lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

(Continued)

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents its right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize the right-of-use assets and lease liabilities for short-term leases of its equipments that have a lease term of 12 months or less and leases of its low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(Continued)

(n) Intangible assets

(i) Recognition and measurement

Intangible assets that the Company acquired are measured at cost, less accumulated amortization and impairment loss. Regarding investments using the equity method, the carrying amount of goodwill is included in the carrying amount of the investment and the impairment loss of such investments is not allocated to goodwill and any assets, but as part the carrying amount of investment using the equity method.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

1) Computer software cost 5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(o) Impairment – non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, deferred tax assets and employee benefits) to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value, less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(p) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

The Company's estimated obligations for dismantling, moving and lease improvements after initial acquisition or subsequent use for a period of time are recognized as costs and liabilities of the asset.

(q) Revenue

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company manufactures cooking oils, foods and beverages, as well as aquafeeds, and sells them to distributors. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company often offers volume discounts to its customers based on aggregate sales of its products over a 12-month period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate the discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the credit term of its sales is consistent with the industry.

(Continued)

The Company sells cooking oils and foods, and pays slotting fees, logistics fees and product display fees, etc. to customers according to the sales and its contracts. Since the payment cannot been exchanged for distinguishable goods or services, it is redeemed as deduction of sales price and income.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Defined benefit plans

The Company's net obligation in respect of the defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of the defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability (asset), which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(Continued)

(iii) Short-term employee benefits

Short-term employee benefits are expensed as related services are provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes, and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

(Continued)

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Earnings per share

Disclosures are made of basic and diluted earnings per share attributable to ordinary equity holders of the Company. The basic earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company divided by weighted-average number of ordinary shares outstanding. The diluted earnings per share are calculated based on the profit attributable to the ordinary shareholders of the Company, divided by weighted-average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares, such as convertible bonds and employee stock options.

(u) Operating segments

Please refer to the consolidated financial report of TAISUN ENTERPRISE CO., LTD. for the years ended December 31, 2022 and 2021 for information for operating segments information.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation these financial statements management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The mangement recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(Continued)

(a) Impairment of trade receivable

When there is objective evidence of impairment loss, the Company takes into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding possible future credit losses) discounted at the financial asset's original effective interest rate. When the actual future cash flows are less than expected, a material impairment loss may arise. Please refer to Notes 6(d) for further description of the impairment of trade receivable.

(b) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 6(f) for further description of the valuation of inventories.

The Company strives to use market observable inputs when measuring assets and liabilities. For different levels of the fair value hierarchy to be used in determining the fair value of financial instruments, please refer to Note 6(v).

Please refer to notes listed as below for assumptions used in measuring fair value.

(a) Note 6(i) , Investment property

(b) Note 6(v) , Financial instruments

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 200	200
Check deposits	11,451	14,228
Cash in banks	7,994,792	1,254,072
Cash and cash equivalents	**$ 8,006,443**	**1,268,500**

Please refer to Note 6(v) for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

(Continued)

(b) Financial assets and liabilities at fair value through profit or loss

	December 31, 2022	December 31, 2021
Assets mandatorily measured at fair value through profit or loss:		
Derivative instruments not used for hedging		
Forward exchange contracts	$ -	712
Non-derivative financial assets		
Stocks listed on domestic markets	49,042	51,272
Beneficiary certificates open-end funds	37,108	33,190
Total	**$ 86,150**	**85,174**
Liabilities mandatorily measured at fair value through profit or loss:		
Non-derivative financial liabilities		
Forward exchange contracts	**$ -**	**1,481**

(i) Please refer to Note 6(v) for dislosure on financal instrument related credit, exchange rate and interest rate risk.

(ii) The aforesaid financial assets were not pledged as collateral.

(iii) Derivative instruments not used for hedging

The Company holds derivative financial instruments to hedge certain foreign exchange and interest risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities:

Forward exchange contracts:

	December 31, 2021		
	Contract amount (In thousands)	Exercise price	Exercisr date
Buy option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12
Sell option	**USD 4,000**	27.490~27.780(USD/NTD)	2022.02.22~2022.05.12

(Continued)

(c) Non-current financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instruments at fair value through other comprehensive income-non current:		
Shares of stock of listed companies	$ 1,490,907	97,375
Shares of stock of unlisted companies	1,155	1,155
Total	**$ 1,492,062**	**98,530**

(i) The Company intends to hold its equity investments for long-term strategic purposes, rather than for transaction purposes. Therefore, the investments are measured at FVOCI.

(ii) On December 5, 2022, due to the disposal of a portion of investment using equity method and the loss of significant influence, the Company transferred the investment to financial assets measured at fair value through other comprehensive income. Please refer to Note 6(g) for further details.

(iii) On December 31, 2021, the Company sold its equity investment measured at FVOCI-Xinxing Electronics Co. Ltd. for strategic purpose. The fair value at the time of disposal was $96,125 thousand and accumulated gain on disposal was amounted to $76,331 thousand, which was reclassified from other equity to retained earnings.

(iv) Please refer to Note 6(v) for credit risk and market risk.

(v) Plese refer to Note 8 for details on pledged assets for bank loans on December 31, 2022. The aforesaid financial assets were not pledged as collateral on December 31, 2021.

(d) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 112,878	127,330
Accounts receivable	489,384	462,970
Accounts receivable from related parties	914,489	812,934
Overdue receivables	9,911	9,797
Less：allowance for impairment	(48,077)	(41,077)
	$ 1,478,585	**1,371,954**

The Company applies the simplified approach to provide for the loss allowance used for expected credit losses, which permit the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information.

(Continued)

The loss allowance provision in food, logistics and bulk materials segments was determined as follow:

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 1,390,955	0%~2.16%	29,991
Overdue 0 to 90 days	36,954	0.01%	4
Overdue 91 to 180 days	-	1.17%	-
Overdue 181 to 270 days	4	5.00%	-
Overdue 271 to 360 days	-	10.00%	-
Over 365 days past due	-	100%	-
Total	**$ 1,427,913**		**29,995**

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 1,277,143	0.66%~2.44%	31,114
Overdue 0 to 90 days	30,511	0.01%	3
Overdue 91 to 180 days	-	1.38%	-
Overdue 181 to 270 days	-	5.73%	-
Overdue 271 to 360 days	-	13.04%	-
Over 365 days past due	-	100%	-
Total	**$ 1,307,654**		**31,117**

The loss allowance provision in aquafeed segment was determined as follow:

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 73,464	0.12%	88
Overdue 0 to 90 days	6,294	2.57%	161
Overdue 91 to 180 days	9,080	10.15%~87.25%	7,922
Overdue 181 to 270 days	-	10.28%	-
Overdue 271 to 360 days	-	25.00%	-
Over 365 days past due	9,911	100%	9,911
Total	**$ 98,749**		**18,082**

(Continued)

	December 31, 2021		
	Gross carrying amount	Expected loss rate	Loss allowance
Current	$ 93,144	0.11%	97
Overdue 0 to 90 days	2,305	2.23%	51
Overdue 91 to 180 days	131	11.40%	15
Overdue 181 to 270 days	-	13.29%	-
Overdue 271 to 360 days	-	30.43%	-
Over 365 days past due	9,797	100%	9,797
Total	**$ 105,377**		**9,960**

The movement in the allowance for notes and accounts receivable was as follow:

	For the years ended December 31	
	2022	2021
Balance on January 1	$ 41,077	41,077
Impairment losses recognized	7,000	-
Balance on December 31	**$ 48,077**	**41,077**

As of December 31, 2022 and 2021, the financial assets mentioned above were not pledged as collateral.

(e) Other receivables

	December 31, 2022	December 31, 2021
Other receivables-loans to subsidiaries	$ -	21,745
Other	15,223	24,384
Less: allowance for impairment	(5,400)	(5,400)
	$ 9,823	**40,729**

The movement in the allowance for other receivable were as follow:

	For the years ended December 31	
	2022	2021
Balance on January 1	$ 5,400	5,400
Allowance for impairment	-	-
Balance on December 31	**$ 5,400**	**5,400**

There were no receivables that were past due but not impaired.

Please refer to Note 6(v) for the Company's notes and accounts receivable exposed to credit risk and currency risk.

The aforesaid financial assets were not pledged as collateral.

(Continued)

(f) Inventories

	December 31, 2022	December 31, 2021
Raw materials	$ 652,740	145,988
Materials	21,374	19,805
Work in process	379,058	171,908
Finished goods	420,551	304,026
	$ 1,473,723	**641,727**

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	For the Years Ended December 31	
	2022	2021
Operating cost		
Inventory falling price gains from price recovery of inventory	$ -	(207)
Revenue from sale of scraps	(2,576)	(2,727)
Gains on physical inventory	494	(7,697)
Losses on disposal	5,385	4,754
Operating expenses	23,085	21,580
	$ 26,388	**15,703**

For the year ended December 31, 2021, the Company recognized a gain from the reversal of allowance for inventory valuation loss resulting from destocking. Such gain was deducted from cost of goods sold.

As of December 31, 2022 and 2021, the aforesaid inventories were not pledged as collateral.

(g) Investments accounted for using equity method

	December 31, 2022	December 31, 2021
Subsidiary	$ 590,160	463,857
Associates	304,201	3,310,306
	$ 894,361	**3,774,163**

(i) Subsidiaries

Please refer to the consolidated financial statement for the year ended December 31, 2022.

(Continued)

(ii) Associates

1) Associates that have material non-controlling interest were as follows:

Name of Associates	Nature of relationship with the Company	Main operation location	Proportion of shareholding and voting rights	
			December 31, 2022	December 31, 2021
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling paints for the Company	Taiwan	- %	22.46 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

December 31, 2022	December 31, 2021
$ -	**12,408,763**

The following information of the aforementioned subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in these information are the fair value adjustment made during the acquisition and relevant differences in accounting principles between the Company and its subsidiaries as at the acquisition date. The intra-group transactions were not eliminated in this information.

Information regarding TAIWAN FAMILYMART CO., LTD. and its subsidiaries

	December 31, 2021
Current assets	$ 17,134,275
Non-current assets	50,472,010
Current liabilities	(33,982,369)
Non-current liabilities	(26,628,080)
Net assets	**$ 6,995,836**
Net assets attributable to non-controlling interests	**$ 657,346**
Net assets attributable to investee	**$ 6,338,490**

	For the year ended December 31, 2021
Operating revenue	**$ 83,659,512**
Net income	$ 1,409,749
Other comprehensive income	78,361
Total comprehensive income	**$ 1,488,110**
Comprehensive income attributable to non-controlling interests	**$ 80,662**
Comprehensive income attributable to investee	**$ 1,407,448**

(Continued)

	2022.1.1~ 2022.12.5	For the year ended December 31, 2021
Shares of net assets attributable to investee on January 1	$ 1,423,660	1,483,560
Comprehensive income attributable to the Company	275,321	316,123
Dividends from associates	(235,641)	(376,023)
subtotal	1,463,340	1,423,660
Add: investment property	19,921	19,921
Add: trademark	129,205	129,205
Add: goodwill	1,454,890	1,454,890
Book value of net equity of associates attributable to the Company on December 31	**$ 3,067,356**	**3,027,676**

On December 2, 2022, the Board of Directors of the Company decided to dispose of part of their holdings in TAIWAN FAMILYMART CO., LTD. On December 5, 2022, the Company sold 43,300 thousand shares for a net disposal price of $7,986,979 thousand, based on a book value of $2,648,969 thousand on the same day. The Company also recognized a foreign exchange difference of $12,521 thousand for cumulative financial statements of overseas operations, with a recognized gain on disposal of investments of $5,325,489 thousand. The shareholding ratio decreased from 22.46% to 3.06%, and the Company assessed that it had lost significant influence over TAIWAN FAMILYMART CO., LTD. The Company then reassessed their remaining 3.06% equity in TAIWAN FAMILYMART CO., LTD. at a fair value of $1,305,756 thousand as of December 5, 2022, and recognized as a non-current financial asset measured at fair value through other comprehensive income. The Company also transferred the remaining book value of associated enterprise equity of $418,387 thousand and recognized a foreign exchange difference of $1,978 thousand, with a recognized gain on disposal of investments of $885,391 thousand. The total disposal gain from the aforementioned transaction was $6,210,880 thousand, please refer to Note 6(u) for further information.

Due to the above disposal transaction, the Company also transferred the accumulated unrealized loss on financial asset measured at fair value through other comprehensive income of TAIWAN FAMILYMART CO., LTD. of $13,287 thousand to retained earnings, which was previously recognized under the equity method.

2) Associates

The Company's financial information about investments accounted for using the equity method that are individually insignificant was as follows:

	December 31, 2022	December 31, 2021
Carrying amount of individually insignificant associates' equity	**$ 304,201**	**282,630**

(Continued)

	For the Years Ended December 31	
	2022	2021
Attributable to the Company:		
Net gain	$ 57,233	42,018
Other comprehensive (loss) income	509	(639)
Comprehensive income	**$ 57,742**	**41,379**

(iii) Pledge to secure

As of December 31, 2022 and 2021, the deals of the investments accounted for using equity method were pledged as collateral, please refer to Note 8.

(h) Property, plant and equipment

The movement in the cost, depreciation, and impairment loss of the property, plant and equipment of the Company as of December 31, 2022 and 2021 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2022	$ 1,023,027	756,330	831,814	41,207	105,988	234,028	2,992,394
Additions	25,610	2,028	2,736	-	37,510	65,517	133,401
Disposals	-	-	(51,644)	(893)	-	-	(52,537)
Transfer in	-	1,650	216,095	-	18,810	-	236,555
Transfer out	-	-	-	-	-	(236,555)	(236,555)
Balance on December 31, 2022	**$ 1,048,637**	**760,008**	**999,001**	**40,314**	**162,308**	**62,990**	**3,073,258**
Balance on January 1, 2021	$ 1,023,027	743,133	741,462	40,901	100,521	128,393	2,777,437
Transfer in	-	3,917	6,865	2,886	2,334	203,710	219,712
Disposals	-	-	(2,033)	(2,580)	(142)	-	(4,755)
Transfer in	-	9,280	85,520	-	3,275	-	98,075
Transfer out	-	-	-	-	-	(98,075)	(98,075)
Balance on December 31, 2021	**$ 1,023,027**	**756,330**	**831,814**	**41,207**	**105,988**	**234,028**	**2,992,394**
Depreciation and impairment loss:							
Balance on January 1, 2022	$ -	565,538	637,201	30,828	81,445	-	1,315,012
Depreciation for the period	-	21,969	44,022	4,040	8,134	-	78,165
Disposals	-	-	(50,164)	(890)	-	-	(51,054)
Balance on December 31, 2022	**$ -**	**587,507**	**631,059**	**33,978**	**89,579**	**-**	**1,342,123**
Balance on January 1, 2021	$ -	542,499	600,846	29,578	74,932	-	1,247,855
Depreciation for the period	-	23,039	38,388	3,817	6,651	-	71,895
Disposals	-	-	(2,033)	(2,567)	(138)	-	(4,738)
Balance on December 31, 2021	**$ -**	**565,538**	**637,201**	**30,828**	**81,445**	**-**	**1,315,012**
Carrying amounts:							
Balance on December 31, 2022	**$ 1,048,637**	**172,501**	**367,942**	**6,336**	**72,729**	**62,990**	**1,731,135**
Balance on January 1, 2021	**$ 1,023,027**	**200,634**	**140,616**	**11,323**	**25,589**	**128,393**	**1,529,582**
Balance on December 31, 2021	**$ 1,023,027**	**190,792**	**194,613**	**10,379**	**24,543**	**234,028**	**1,677,382**

(Continued)

(i) Since the law in Taiwan does not allow a legal person or an entity to acquire any agricultural land beginning 2016, the title deed of the 14 pieces of agricultural land, amounting to NTD$45,389 thousand, located at parcel no.185 and 186 in the Daxin Section of Beidou Township, Changhua County, had been transferred to a natural person. However, the Company still keeps the original certificate of ownership of the real estate for security purpose.

(ii) Please refer to Note 6(u) for the disposal of profit and loss.

(iii) As of December 31, 2022 and 2021, the aforementioned land, houses and buildings were not provided as collateral guarantees.

(i) Investment property

	Self-owned proporty		
	Land and improvements	Buildings	Total
Cost or deemed cost:			
Balance on January 1, 2022	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2022	**$ 501,302**	**129,581**	**630,883**
Balance on January 1, 2021	**$ 501,302**	**129,581**	**630,883**
Balance on December 31, 2021	**$ 501,302**	**129,581**	**630,883**
Depreciation and impairment loss:			
Balance on January 1, 2022	$ -	94,824	94,824
Depreciation for the year	-	1,221	1,221
Balance on December 31, 2022	**$ -**	**96,045**	**96,045**
Balance on January 1, 2021	$ -	93,445	93,445
Depreciation for the year	-	1,379	1,379
Balance on December 31, 2021	**$ -**	**94,824**	**94,824**
Carrying amounts:			
Balance on December 31, 2022	**$ 501,302**	**33,536**	**534,838**
Balance on January 1, 2021	**$ 501,302**	**36,136**	**537,438**
Balance on December 31, 2021	**$ 501,302**	**34,757**	**536,059**
Fair value:			
Balance on December 31, 2022			**$ 958,341**
Balance on December 31, 2021			**$ 929,935**

(i) Investment property comprises a number of commercial properties that were leased to third parties. The subsequent lease term of each lease contract was negotiated with the lessee, and no contingent rent is charged.

(Continued)

(ii) The fair value of investment properties was based on recent transaction price of similar location and areas on the website of the Department of Land Administration M.O.I., the website of real estate trading, etc. Under the valuation techniques for financial instruments measured at fair value, the inputs were categorized at level 3.

(iii) As of December 31, 2022 and 2021, the investment properties were not pledged as collateral.

(j) Short-term borrowings

	December 31, 2022	December 31, 2021
Letter of credit	$ 409,490	54,312
Unsecured bank loans	350,000	450,000
Total	**$ 759,490**	**504,312**
Unused credit lines	**$ 2,448,478**	**2,730,293**
Interest rates	**1.675%~6.13%**	**0.66%~1%**

Please refer to Note 6(v) for details on financial risk.

(k) Short-term notes and bills

The short-term notes and bills payable were summarized as follows:

	December 31, 2022		
	Gauarantee or acceptance institution	Range of interest rates (%)	Amount
Commercial paper payable	International Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Ta Ching Bills Finance Corporation	1.988%~2%	**$ 350,000**

	December 31, 2021		
	Gauarantee or acceptance institution	Range of interest rates (%)	Amount
Commercial paper payable	China Bills Finance Corporation, International Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Grand Bills Finance Corporation, Ta Ching Bills Finance Corporation	0.89%~0.97%	**$ 500,000**

(Continued)

As of December 31, 2022 and 2021, the Company did not pledge assets to provide collateral for commercial paper payable and the unsued amount was $550,000 thousand and $400,000 thoousand, respectively.

Please refer to Note 6(v) for details on financial risk.

(l) Accounts payable

	December 31, 2022	December 31, 2021
Payables to suppliers	**$ 543,497**	**498,966**

(m) Long-term borrowings

	December 31, 2022			
	Currency	**Interest rate**	**Year due**	**Amount**
Secured bank loans	NTD	1.51%~2.25%	2023	$ 570,000
Less: Current portion				(570,000)
Total				**$ -**
Unused credit line				**$ 1,030,000**

	December 31, 2021			
	Currency	**Interest rate**	**Year due**	**Amount**
Secured bank loans	NTD	1.00%~1.06%	2023	$ 750,000
Unsecured bank loans	NTD	1.26%	2024	300,000
Less: Current portion				-
Total				**$ 1,050,000**
Unused credit line				**$ 708,972**

(i) Collateral for bank loans

Please refer to Note 8 for details on related assets pledged as collateral.

(ii) Please refer to Note 6(v) for details on financial risk.

(n) Operating leases

(i) Leases as lessor

The Company leases out its investment property . The Company has classified these leases as operating leases because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to Note 6(i) for more related information on operating leases of investment property.

(Continued)

A maturity analysis of lease payments showing the undiscounted lease payments to be received after the reporting date is as follows:

	December 31, 2022	December 31, 2021
Less than one year	$ 8,634	7,944
One to two years	5,069	3,716
Two to three years	4,611	841
Three to four years	4,213	497
Four to five years	-	213
Total undiscounted lease payments	**$ 22,527**	**13,211**

For the years ended December 31, 2022 and 2021, the rental revenues from investment properties amounted to $12,886 thousand and $8,547 thousand, respectively.

(o) Employee benefits

(i) Defined benefit plans

The reconciliation of fair value of the defined benefit plans and plan assets is as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligation	$ 147,033	186,320
Fair value of plan assets	(196,143)	(203,241)
Net defined benefit liabilities (assets)	**$ (49,110)**	**(16,921)**

Employee benefit liabilities are listed as follows:

	December 31, 2022	December 31, 2021
Compensated absences liability	**$ 10,711**	**10,711**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pension benefits for its employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Company sets aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. Such funds are managed by the Bureau of Labor Funds, Ministry of Labor. Under these regulations, the minimum earnings from these pension funds shall not be less than the earnings from two-year time deposits with the interest rates offered by local banks.

(Continued)

The Company's contributions to the pension funds were deposited with Bank of Taiwan amounting to $196,143 thousand as of the reporting date. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in the present value of the defined benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	**2021**
Defined benefit obligations on January 1	$ 186,320	192,447
Current service costs and interest	1,997	2,560
Remeasurements of the net defined benefit liability (asset)		
─Actuarial losses (gains) gains due to experience adjustments	2,462	3,001
─Actuarial losses from changes in financial assumption	(12,048)	5,879
Benefits paid by the plan	(31,698)	(17,567)
Defined benefit obligation on December 31	**$ 147,033**	**186,320**

3) Movements on the defined benefit plan assets

The movements in the fair value of the defined benefit plan assets for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	**2021**
Fair value of plan assets on January 1	$ 203,241	211,396
Interest revenue	1,021	1,320
Remeasurements of the net defined benefit liability (asset)		
─Return on plan assets (not including current interest cost)	16,513	2,478
Contributed amount	5,869	5,614
Benefits paid by the plan	(30,501)	(17,567)
Fair value of plan asset on December 31	**$ 196,143**	**203,241**

(Continued)

4) Expenses recognized in profit and loss

The Companys pension expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Current service costs	$ 1,075	1,378
Net interests on net defined benefit liability (asset)	(99)	(138)
	$ 976	**1,240**
Operating costs	$ 465	1,045
Operating expenses	93	179
General and administrative expenses	418	16
	$ 976	**1,240**

5) Remeasurement of net defined benefit liability (asset) recognized in other comprehensive income

The Company's net defined benefit liability (asset) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 were as follows:

	For the Years Ended December 31	
	2022	2021
Cumulative amount on January 1	$ 97,533	91,131
Recognized during the year	(26,099)	6,402
Cumulative amount on December 31	**$ 71,434**	**97,533**

6) Actuarial assumptions

The key actuarial assumptions at the reporting date were as follows:

	2022.12.31	2021.12.31
Discount rate	1.500 %	0.500 %
Future salary increase rate	1.000 %	1.000 %

Based on the actuarial report, the Company is expected to make a contribution payment of $5,880 thousand to the defined benefit plans for the one year period after the reporting date of 2022.

The weighted-average duration of the defined benefit plans is between 9.18 years.

(Continued)

7) Sensitivity analysis

As of December 31, 2022 and 2021, the changes in the principal actuarial assumptions that will have an impact on the present value of the defined benefit obligation were as follows:

	Impact on the present value of defined benefit obligation	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2022		
Discount rates	$ 2,802	2,883
Future salary increase rates	2,820	2,754
December 31, 2021		
Discount rates	(3,924)	4,045
Future salary increase rates	3,925	3,828

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in the defined benefit obligation as some of the variables may be correlated in the actual situation. The model used in the sensitivity analysis is the same as that of the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

(ii) Defined contribution plans

The Company allocates 6% of each employyee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Insurance without additional legal or constructive obligations.

The cost of pension contrbutions to the Labor Insurance Bureau for the years ended December 31, 2022 and 2021, amounted to $16,066 thousand and $15,151 thousand, respectively.

(Continued)

(p) Income tax

(i) The income tax expense were as follows:

	For the Years Ended December 31	
	2022	**2021**
Current income tax expense		
Current period incurred	$ 345,408	27,292
Undistributed earnings additional tax	5,174	-
Prior years income tax adjustment	(32,402)	9,005
	318,180	36,297
Deferred tax expense		
Origin and reversal of temporary difference	(30,432)	-
Income tax expense from continuing operations	**$ 287,748**	**36,297**

(ii) The income tax on pre-tax financial income was reconciled with the income tax expense for the years ended December 31, 2022 and 2021 as follows:

	For the Years Ended December 31	
	2022	**2021**
Profit excluding income tax	$ 6,206,243	628,124
Income tax using the Company's domestic tax rate	$ 1,241,249	125,625
Gains from equity method	(89,331)	(90,598)
Gains on financial assets evaluation	1,627	(1,877)
Dividends revenue	(1,624)	(1,702)
Non-deductible expenses	474	161
Changes in unrecognized temporary differences	2,229	558
Undistributed earnings	5,174	-
(Overestimation) underestimation from prior period	(32,402)	9,005
Gains from disposal of investments	(1,242,176)	-
Basic income tax	345,408	-
Others	57,120	(4,875)
Total	**$ 287,748**	**36,297**

(iii) Deferred tax assets

1) Unrecognized deferred tax assets

	December 31, 2022	**December 31, 2021**
Allowance losses	$ 6,562	5,387
Losses on investment using equity method	88,672	88,672
Others	2,726	3,782
	$ 97,960	**97,841**

(Continued)

2) Recognized deferred tax assets and liabilities

The movements in deferred tax assets and liabilities for the years ended December 31, 2022 and 2021 were as follows:

	Inventory valuation loss	Loss deduction	Unrealized gross profit	Total
Deferred tax assets:				
Balance on January 1, 2022	$ 1,964	750	-	2,714
Recognize as profit or loss	-	-	30,432	30,432
Balance on December 31, 2022	**$ 1,964**	**750**	**30,432**	**33,146**
Balance on January 1, 2021	$ 1,964	750	-	2,714
Balance on December 31, 2021	**$ 1,964**	**750**	**-**	**2,714**

(iv) Deferred tax liabilities

	December 31, 2022	December 31, 2021
Land value increment tax	**$ 222,537**	**222,537**

For the years ended December 31, 2022 and 2021, there is no change on the Company' s defferred tax liabilities.

(v) The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(q) Share capital and other equity

As of December 31, 2022 and 2021, the authorized capital of the Company consisted of 10,000,000 thousand shares, at a par value of $10 per share, amounting to $1,000,000 thousand, respectively, with the outstanding shares amounting to $4,999,990 thousand.

(i) Capital surplus

The components of the capital surplus were as follows:

	December 31, 2022	December 31, 2021
Treasuny shares transactions	$ 71,496	57,888
Changes in equity of associates accounted for using equity method	17	17
Surplus from issuance of ordinary shares	915,977	915,977
Surplus from issuance of ordinary shares-employee stock options	4,132	4,132
Expired employee stock options	1,561	1,561
Other	13,559	13,559
	$ 1,006,742	**993,134**

(Continued)

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of the par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while the Company still have significant expansion of production capacity and vertical development plans in the next few years. The Company's Articles of Incorporation stipulate that the Company's net earnings should first be used to offset the prior years' deficits, if any, after paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then at least 50% of the remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. However, more than 30% of the total dividend distribution in the current year shall be distributed in cash dividends, and the rest shall be distributed in the form of stock dividends.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

A resolution was approved during the shareholders' meeting on December 26, 2021 for the amendments of the Company's articles of association as follows:

The Company is in its mature stage of business cycle and its annual earnings and future cash flow are stable while it still have significant expansion of production capacity and development plans in the next few years. Therefore, the distribution of surplus earnings should first be used to offset any deficit after the end of each quarter. If the surplus earnings are to be distributed in cash, it should be reported during the stockholder's meeting, without needing of approval, in accordance with Article 228-1 and 240-5 of Company Act. The Company's articles of incorporation stipulate that the Company's net earnings should first be used to offset the prior quarter's deficits, if any, after paying any income taxes. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Aside from the aforesaid legal reserve, the Company may, under its Articles of Incorporation or as required by the government, appropriate the earnings for special reserve. Of the remaining balance, 10% is to be appropriated as legal reserve, and the proportion of cash dividend shall not be less than 30% of the total dividend distribution.

If the common stock dividends per share is less than NTD 0.1, the Board of Directors have the right not to distribute it.

1) Legal reserve

When a company incurs profit, the shareholders shall decide on the distribution of the statutory earnings reserve either by issuing new shares or by paying cash of up to 25% of the actual share capital.

(Continued)

2) Special reserve

The Company applied for exemptions during its first-time adoption of IFRSs, resulting in its retained earnings to increase by $240,776 thousand, incurred from unrealized revaluation increments, exchange rules differences on translation of foreign financial statements, and fair value of investment property being used as the cost on initial recognition at the transition date. In accordance with issued by the Financial Supervisory Commission on April 6, 2012, a special reverse equals to the contra account of other shareholders' equity is appropriated from current and prior period earnings. The aforementioned special reserve may be reversed in proportion with the usage, disposal, or reclassification of the related assets, and then, be distributed afterwards. As of December 31, 2022 and 2021, the Company recognized the special reserve related to all IFRSs adjustments amounting to $240,776 thousand for both years.

When the debit balance of any of the contra accounts in the shareholders' equity is reversed, the related special reserve can be reversed. The subsequent reversals of the contra accounts in shareholders' equity shall qualify for additional distributions.
The special reserve that was calculated at the end of the period through the difference between the market price and the book value of the parent company's shares held by its subsidiaries based on their shareholding percentage shall not be distributed. However, if the market price rebounds, the special reserve shall be reversed according to their shareholding percentage.

3) Earnings distribution

The amounts of dividends of appropriations of earnings for 2021 and 2020 had been approved in the Board of Directors' meetings on March 25, 2022 and in the shareholders' meeting on August 18, 2021, respectively,

These earnings were appropriatted as follows:

	2021	2020
Common stock dividends per share		
Cash	$ 499,999	699,999
Dividends per share	$ 1	1.4

For information on earnings distribution, which was approved during the shareholders' meeting, please visit the public information observatory for further information.

(iii) Treasury stock (held by the subsidiaries)

Before the amendment of the Company Law in 2001, the Company's subsidiaries, purchased the Company's stock in the open market for investment pruposes. Stocks held by subsidiaries are deemed as treasury shocks.

(Continued)

The numbers of shares, book value and market price held by the Company's subsidiaries are as follows:

Subsidiaries	Begining shares	Add	Less	Ending shares
2022				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**
2021				
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351	-	-	10,351
TAIWAN NIKOMART CO., LTD.	2,960	-	-	2,960
CHUANG SHIN TRAFFIC CO., LTD.	368	-	-	368
	13,679	**-**	**-**	**13,679**

	December 31, 2022	December 31, 2021
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880
CHUANG SHIN TRAFFIC CO., LTD.	4,359	4,359
	$ 203,876	**203,876**

The stock prices of the Company as of December 31, 2022 and 2021 were NTD 32.55 and NTD 27.30 respectively.

(iv) Other equity

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2022	$ (34,553)	(71,400)	(105,953)
Exchange differences on foreign operation	10,683	-	10,683
Unrealized gain from equity instrument measured at fair value through other comprehensive income of associates accounted for using equity method	-	87,776	87,776
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(1,657)	(1,657)
Disposal of investment accounted for using eqity methods	14,499	13,287	27,786
Disposal of investments in equity instruments designated at fair value through other comprehensive income of associates accounted for using equity method	-	9,570	9,570
Balance on December 31, 2022	**$ (9,371)**	**37,576**	**28,205**

(Continued)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at FVOCI	Total
Balance on January 1, 2021	$ (31,870)	(44,007)	(75,877)
Exchange differences on foreign operation	(2,722)	-	(2,722)
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	48,832	48,832
Changes in other comprehensive income (loss) of associates accounted for using equity methods	39	106	145
Disposal of investments in equity investment designated at fair value through other comprehensive income	-	(76,331)	(76,331)
Balance on December 31, 2021	**$ (34,553)**	**(71,400)**	**(105,953)**

(r) Earnings per share

The Company's earnings per share are calculated as follows:

	For the Years Ended December 31	
	2022	2021
Basic earnings per share		
Profit from continuing operation attributable to the Company	**$ 5,918,495**	**591,827**
Weighted average number of ordinary shares	499,999	499,999
Less: impact of treasury stock	13,606	13,606
Adjusted weighted average number of ordinary shares	**486,393**	**486,393**
Earnings per share	**$ 12.17**	**1.22**
Diluted earnings per share		
Profit from continuing operation attributable to the Company	5,918,495	591,827
Profit from continuing operation attributable to the Company(after adjusting the effect of diluted ordinary shares)	**$ 5,918,495**	**591,827**
Adjusted weighted-average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	8,485	1,643
Adjusted weighted-average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	**494,878**	**488,036**
Earnings per share	**$ 11.96**	**1.21**

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the Year Ended December 31, 2022			
	Consumption division	Commodity division	Other	Total
Main product/service				
Consumer food	$ 5,633,357	-	-	5,633,357
Bulk materials and aquafeeds	-	3,969,706	-	3,969,706
Rental revenue from investment properties	-	-	12,886	12,886
	$ 5,633,357	**3,969,706**	**12,886**	**9,615,949**

(Continued)

	For the Year Ended December 31, 2021			
	Consumption division	Commodity division	Other	Total
Main product/service				
Consumer food	$ 5,102,558	-	-	5,102,558
Bulk materials and aquafeeds	-	3,511,608	-	3,511,608
Rental revenue from investment properties	-	-	8,547	8,547
	$ 5,102,558	**3,511,608**	**8,547**	**8,622,713**

(ii) Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 112,878	127,330	105,333
Notes receivable-related parties	-	-	2,700
Accounts receivable	489,384	462,970	361,292
Accounts receivable-related parties	914,489	812,934	702,786
Overdue receivable	9,911	9,797	10,708
Less: loss allowance	(41,077)	(41,077)	(41,077)
Total	**$ 1,485,585**	**1,371,954**	**1,141,742**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

(t) Remunerations to employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit, then, a minimum of 2% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the above-mentioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

For the years ended December 31, 2022 and 2021, remuneration of employees of $267,000 thousand and $34,500 thousand, respectively, and remuneration of directors of $200,000 thousand and $27,000 thousand, respectively, were estimated on the basis of the Company's net profit before tax, excluding the remuneration of employees and directors of each period, multiplied by the percentage of remuneration of employees and directors as specified in the Company's articles of incorporation. Such amounts were recognized as operating expenses for the years ended December 31, 2022 and 2021, Management is expecting that the differences, if any, between the actual distributed amounts and estimated amounts will be treated as changes in accounting estimates and will be charged to profit or loss. The number of shares to be distributed was calculated based on the closing price of the Company's ordinary shares, one day prior to Board of Directors meeting. There was no difference between the amounts approved in the Board of Directors meeting and the estimated amounts disclosed in the 2022 and 2021 financial statements. For further information, please refer to Market Observation Post System website.

(Continued)

(u) Non-operating income and expenses

(i) Other gains and losses

The details of other gain and losses were as follows:

	For the Years Ended December 31	
	2022	2021
Dividend income	$ 8,121	8,509
Foreign exchange gains	28,134	12,009
Gains on disposal of property, plant and equipment	42	98
Losses (gains) on financial assets at FVTPL	(8,134)	9,383
Delivery service income	13,033	12,620
Other gains and losses	32,082	30,022
	$ 73,278	**72,641**

(ii) Finance costs

The details of finance costs were as follows:

	For the Years Ended December 31	
	2022	2021
Interest expense		
Bank loans	**$ 26,583**	**10,651**

(iii) Interest income

The details of interest income were as follows:

	For the Years Ended December 31	
	2022	2021
Interest income from bank deposits	$ 1,833	802
Others	470	1,016
	$ 2,303	**1,818**

(iv) Gains on disposal of investments

	For the years ended December 31	
	2022	2021
Gains on disposal of investment accounted for using equity method	**$ 6,210,880**	**-**

(Continued)

(v) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Apart from the Company's most significant customer, CENTRAL UNION OIL CORP. and PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD, the Company has no exposure to credit risk of any individual counterparty or any group of counterparties with similar credit characteristics. Those related parties which have transactions with the Company are regarded as group of counterparties with similar credit characteristics. As at reporting date, the Company reviewed the concentrations of credit risk arising from CENTRAL UNION OIL CORP. and PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD, and it was 60% and 59%, respectively, of the accounts receivable.

3) Accounts receivable of credit risk

For credit risk exposure of notes and accounts receivables, please refer to note 6(d). Other financial assets at amortized cost includes other receivables and time deposits, etc.
All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12-month expected losses. Please refer to Note 4(f) for the decision made by Company as to whether or not its credit risk is to have low risk. Please refer to Note 4(e) for the movement in the allowance for impairment for doubtful accounts.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including the estimated interest payments but excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
December 31, 2022						
Non-derivative financial liabilities						
Unsecured bank loans (USD)	$ 409,490	421,201	421,201	-	-	-
Unsecured bank loans (NTD)	350,000	353,207	353,207	-	-	-
Secured bank loans (NTD)	570,000	580,716	5,358	575,358	-	-
Short-term notes and bills payable	350,000	350,000	350,000	-	-	-
Non-interest bearing liabilities	1,388,113	1,388,113	1,388,113	-	-	-
	$ 3,067,603	**3,093,237**	**2,517,879**	**575,358**	**-**	**-**

(Continued)

December 31, 2021	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years
Non-derivative financial liabilities						
Unsecured bank loans (NTD)	$ 54,312	54,504	54,504	-	-	-
Unsecured bank loans (USD)	450,000	452,340	452,340	-	-	-
Secured bank loans (NTD)	1,050,000	1,069,098	5,751	5,751	755,708	301,888
Short-term notes and bills payable	500,000	500,000	500,000	-	-	-
Non-interest bearing liabilities	874,103	874,103	874,103	-	-	-
	$ 2,928,415	**2,950,045**	**1,886,698**	**5,751**	**755,708**	**301,888**

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or in significantly different amounts.

(iii) Currency risk

1) Exposure of foreign currency risk

The Company's significant exposure to foreign currency risk is as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets						
Monetary items						
USD : NTD	$ 6,101	30.708	188,260	15,045	27.690	415,578
CNY : NTD	5,088	4.4175	22,479	5,010	4.341	21,745
JPY : NTD	51,170	0.2324	11,892	-	-	-
Non-monetary items						
USD : NTD	10,210	30.708	306,969	8,479	27.690	234,769
Financial liabilities						
Monetary items						
USD : NTD	$ 13,335	30.708	409,490	1,961	27.690	54,312

2) Sensitivity analysis

The Company' s exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, other financial assets-current, accounts receivable and other receivables that are denominated in foreign currency. A 1% appreciation or depreciation of US dollar against New Taiwan dollar as of December 31, 2022 and 2021 would have increased (decreased) the pre-tax net income for the years ended December 31, 2022 and 2021 by $1,495 thousand and $3,064 thousaand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for both periods.

(Continued)

3) Foreign exchange gains or losses on monetary item

Since the Company has various kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by the total amount. For the years ended December 31, 2022 and 2021, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $28,134 thousand and $12,009 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

	Book value	
	December 31, 2022	December 31, 2021
Fixed rate instruments:		
Financial assets	$ 5,506	12,254
Financial liabilities	350,000	500,000
	$ (344,494)	**(487,746)**
Variable rate instruments:		
Financial assets	$ 7,994,792	1,254,072
Financial liabilities	1,329,490	1,554,312
	$ 6,665,302	**(300,240)**

The following sensitivity analysis is based on the risk exposure to interest rates risk of derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year at the reporting date. The report of the Company's internal management on the increases/decreases in the interest rates and the exposure to changes in interest rates of 0.5% is considered by the management to be a reasonable change of interest rate.

If the interest rate increases / decreases by 0.5%, the Company's net income will decrease /increase by $26,661 thousand and $1,201 thousand for the years ended December 31, 2022 and 2021, respectively, assuming all other variable factors remaining constant. This is mainly due to the Company's variable rate borrowing and cash advances for accounts receivable factoring.

(Continued)

(v) Other market price risk

If the equity price changes, the impact of equity price change to other comprehensive income will be as follows; assuming the analysis is based on the same basis for both years and assuming that all other variables considered in the analysis remain constant:

	For the years ended December 31			
	2022		2021	
	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)	Comprehensive Income (Loss) (net of tax)	Net Income (Loss) (net of tax)
Increase 5%	$ 59,682	3,446	3,941	3,378
Decrease 5%	(59,682)	(3,446)	(3,941)	(3,378)

(vi) Fair value of financial instruments

1) Categories of financial instruments and fair value hierarchy

The Company measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non derivative financial assets					
Listed Stocks	$ 49,042	49,042	-	-	49,042
Beneficiary Certificate-Open-end Funds	37,108	37,108	-	-	37,108
Subtotal	86,150	86,150	-	-	86,150
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 1,490,907	1,490,907	-	-	1,490,907
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Subtotal	1,492,062	1,490,907	-	1,155	1,492,062
Financial assets at amortized cost					
Cash and cash equivalents	$ 8,006,443	-	-	-	-
Notes and accounts receivables (including related parties)	1,478,585	-	-	-	-
Other receivables (including related parties)	9,823	-	-	-	-
Other financial asset-current	5,506	-	-	-	-
Other financial asset-non current	12,611	-	-	-	-
Subtotal	9,512,968	-	-	-	-
Total	**$ 11,091,180**	**1,577,057**	**-**	**1,155**	**1,578,212**

(Continued)

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short term loans	$ 759,490	-	-	-	-
Short term notes and bills payable	350,000	-	-	-	-
Notes and accounts payable (including related parties)	543,775	-	-	-	-
Other payables (including related parties)	840,121	-	-	-	-
Long term loans (including current portion)	570,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	4,217	-	-	-	-
Subtotal	3,067,603	-	-	-	-
Total	**$ 3,067,603**	**-**	**-**	**-**	**-**

	December 31, 2021				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Derivative financial assets					
Foreign exchange option	$ 712	-	712	-	712
Non derivative financial assets					
Listed Stocks	51,272	51,272	-	-	51,272
Beneficiary Certificate-Open-end Funds	33,190	33,190	-	-	33,190
Subtotal	85,174	84,462	712	-	85,174
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 97,375	97,375	-	-	97,375
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Subtotal	98,530	97,375	-	1,155	98,530
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,268,500	-	-	-	-
Notes and accounts receivable (including related parties)	1,371,954	-	-	-	-
Other receivables (including related parties)	40,729	-	-	-	-
Other financial asset-current	12,254	-	-	-	-
Other financial asset-non current	10,968	-	-	-	-
Subtotal	2,704,405	-	-	-	-
Total	**$ 2,888,109**	**181,837**	**712**	**1,155**	**183,704**
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 1,481	-	1,481	-	1,481
Financial liabilities at amortized cost					
Short term loans	$ 504,312	-	-	-	-
Short term notes and bills payable	500,000	-	-	-	-
Notes and accounts payable (including related parties)	499,244	-	-	-	-
Other payables (including related parties)	370,640	-	-	-	-
Long term loans (including current portion)	1,050,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non current liabilities, others)	4,219	-	-	-	-
Subtotal	2,928,415	-	-	-	-
Total	**$ 2,929,896**	**-**	**1,481**	**-**	**1,481**

(Continued)

2) Valuation techniques for financial instruments not measured at fair value:

The assumptions and methods used in valuing financial instruments that are not measured at fair value are as follows:

a) Financial assets and liabilities measured at amortized cost

Fair value measurement for financial assets and liabilities is based on the latest quoted price and agreed-upon price if these prices are available in an active market. When market value is unavailable, fair value of financial assets and liabilities are evaluated based on the discounted cash flow of the financial assets and liabilities.

3) Valuation techniques for financial instruments measured at fair value:

a) Non-derivative financial instruments

Financial instruments trade in active markets is based on quoted market prices.

If a quoted price of a financial instrument can be obtained in time and often from exchanges, brokers, underwriters, industrial union, pricing institute, or authorities and such price can reflect those actual trading and frequently happen in the market, then the financial instrument is considered to have a quoted price in an active market. If a financial instrument does not accord with the aforementioned definition, then it is considered to be without a quoted price in an active market. In general, market with low trading volume or high bid-ask spreads is an indication of a non-active market.

If the financial instruments held by the Company have an active market, the measurements of fair value are categorized as follows:

- The listed stocks and beneficiary certificate-open-end funds are recognized as financial assets and liabilities traded in active markets by the standards and nature. The fair value is measured at the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from competitor. Fair value measured by valuation technique can be extrapolated from similar financial instruments, discounted cash flow method or other valuation technique which include model calculating with observable market data at the balance sheet date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

- Equity instruments without quoted price: The fair value is measured at net asset value method. By looking through the nature and the included items of each asset and liability item and collecting the market value information of each asset and liability for items whose book value may be different from the fair value, the Company needs to obtain the fair value of the Company' s net assets, and calculate the Company's equity value. The discount effect is adjusted due to lack of market liquidity in equity securities.

(Continued)

b) Derivative financial instruments

These are based on the valuation model accepted by the most market users, ex: discount rate and option pricing model. Forward exchange agreement is usually based on the current forward rate. Fair value of structured financial instruments is based on appropriated valuation model, ex: BlackScholes model, or other valuation model, ex: Monte Carlo simulation.

c) Financial instruments measured at fair value

The Company uses market-observable inputs as much as possible to measure its assets and liabilities. The different levels, wherein the inputs of valuation techniques are used to measure the fair value of financial and non-financial instruments have been defined as follows:

- Level 1: Quoted prices (unadjusted) 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.

4) Transfers between Level 1 and Level 2

There were no changes in the valuation techniques for fair value in 2022 and 2021. In addition, there have been no transfers from each level for the years ended December 31, 2022 and 2021.

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company’ s financial instruments that use Level 3 inputs to measure fair value include financial assets measured at fair value through other comprehensive income-equity investments.

The Company’s equity instrument investments without an active market in Level 3 have more than one significant unobservable inputs. The significant unobservable inputs of financial instrument investments without an active market are individually independent, and there is no correlation between them.

(Continued)

Quantified information of significant unobservable inputs was as follow:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2022, and 2021 were both 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher).
Financial assets at fair value through profit or loss-equity investments without an active market	net asset value method	·net asset value ·Market illiquidity discount (as of December 31, 2022, and 2021 were both 25%)	· Not applicable · The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher).

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company' s measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income：

	Inputs	Fluctuation in inputs	Profit or loss		Other comprehensive income	
			Favorable	Unfavorable	Favorable	Unfavorable
December 31, 2022						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	12	(12)
December 31, 2021						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	12	(12)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(Continued)

(w) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks' exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized managements of core business departments for developing and monitoring the Company' s risk management policies, wherein the management reports regularly to the Board of Directors on its activities.

The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company' s activities. The Company, through their training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company' s Internal Audit Department oversees how the management' s supervision complies with the Company' s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures and exception management, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments in debt securities.

(Continued)

1) Accounts receivable and other receivables

The Company' s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, the management also considers the demographics of the Company's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. As of December 31, 2022 and 2021, the percentage of net sales of two specific clients invested by the Company through equity method were 52% respectively. The two clients mentioned above engaged in the manufacturing (upstream) and wholesale (downstream) of edible products. The Company does not concentrate on a specific customer, thus, there should be no concern on significant concentrations of accounts receivable credit risk. In order to mitigate account receivable credit risk, the Company constantly assesses the financial status of its customers.

2) Investment

The credit risk exposure for the bank deposits, fixed income investments and other financial instruments are measured and monitored by the Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

3) Guarantee

The Company's policy is to provide financial guarantees only to Company's subsidiaries and CENTRAL UNION OIL CORP. (the Company' s long-term equity investment company through joint venture agreement). As of December 31, 2022 and 2021, the Company did not provide any endorsement and guarantee for CENTRAL UNION OIL CORP.

(iv) Liquidity risk

Liquidity risk is a risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that there is sufficient cash to meet the expected operating expenditure needs, including the fulfillment of financial obligations, and supervises the banking facilities to ensure compliance with the terms of loan agreements. As of December 31, 2022 and 2021, the Company' s unused credit line amounted to $4,028,478 thousand and $3,839,265 thousand, respectively.

(Continued)

(v) Market risk

Market risk is a risk that arises from changes in market prices, such as foreign exchange rates, interest rates and equity prices that affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company buys and sells derivatives in order to manage market risk. All such transactions are carried out within the guidelines set by the Risk Management Committee.

1) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company' s entities, primarily the New Taiwan Dollars (NTD) for the Taiwanese company. Except for the purchases of bulk materials, which are denominated in US dollars, the remaining currencies used in transactions are denominated in NTD.

The Company uses foreign exchange options and forward exchange contracts to hedge currency risk. The length of the contract periods are determined by the maturity date and future cash flow of the Company' s existing foreign currency debt, so the contingent exchange gains and losses of the hedged debt would offset by the gains and losses generated when the hedging instrument contract expires.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances.

2) Interest rate risk

The policy of the Company is based on floating interest rate. At present, considering that the market interest rate is relatively low, no interest rate swap has been signed, and if the interest rates increase, the interest rate swap can also be adopted to reduce interest rate risk.

3) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments as the management of the Company minimizes the risk by holding different investment portfolios.

(x) Capital management

The Company' s policy is to manage its capital of safeguard the capacity to continue as a going concern, returns for continue to provide returns for shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

(Continued)

	December 31, 2022	December 31, 2021
Total liabilities	$ 3,657,933	3,240,296
Less: cash and cash equivalents	(8,006,443)	(1,268,500)
Net debt	**$ (4,348,510)**	**1,971,796**
Total equity	**$ 12,562,672**	**6,985,982**
Adjusted equity	**$ 8,214,162**	**8,957,778**
Debt-to-equity ratio	**(52.94)%**	**22.01 %**

Note: The disposal of long-term equity invetments resulted in a decrease in the debt-to-capital ratio from the previous period.

(y) Investing and financing activities not affecting the current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021 were from foreign exchange movement.

(7) Related-party transactions:

(a) Names and relationship with the Company

The following are related parties that had transactions with the Company during the periods covered in the non-consolidated financial statements.

Name of related party	Relationship with the Company
CENTRAL UNION OIL CORP.	Equity-accounted investee by the Company (associates)
TAIWAN FAMILYMART CO., LTD.(Note 1)	Substantive related parties (other related parties)
TAIWAN DISTRBUTION CENTER CO., LTD(Note 1)	〃
RE-YI DISTRIBUTION SERVICE CO., LTD.(Note 1)	〃
TAISUN FOODS & MARKETING CO., LTD. (Note 2)	〃
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	A subsidiary of the Company
TAIWAN NIKOMART CO., LTD.	〃
CHUANG SHIN TRAFFIC CO., LTD.	〃
TAISUN YUAN CO., LTD.	〃
TAISUN (CAYMEN) INVESTMENT CO., LTD.	〃
TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	〃
TAISUN (HERBAL) CO., LTD.	〃

Note 1: Change from associates to other related parties effective December 5, 2022.

Note 2: No longer a related party since March 1, 2021.

(Continued)

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the years ended December 31	
	2022	2021
Subsidiaries:		
PIN-TAI DISTRIBUTION ENTERPRISE CO.	$ 2,093,274	1,914,135
TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	13,519	-
Associates:		
CENTRAL UNION OIL CORP.	2,904,790	2,625,270
Other related parties	20,708	40,143
	$ 5,032,291	**4,579,548**

Parts of the Company's selling channel of beverages and cooking oil are distributed to related parties, and different canteens inside the military welfare organizations and establishments. However, an additional commission is charged by the delivery agency to the Company for every delivery it makes to the military welfare organizations and establishments. Therefore, the selling price offered to the military welfare organizations and establishments is higher than that offered to the related parties. Furthermore, the selling price offered to TAISUN FOODS & MARKETING CO., LTD is lower as compared to other related parties due to the nature of its business, which is export trading. There were no major differences in the selling price between the related parties and general customers. The payment term for PIN-TAI DISTRIBUTION, ENTERPRISE CO. LTD is 60 days after the end of the month, while those for unrelated parties are 30 to 90 days after the end of the month.

There were no significant differences between the sales prices of soy powder to CENTRAL UNION OIL CORP. which is deducted from the related sales expenses based on the market prices, and those offered to non-related parties. The payment term for relates parties is within 45 to 60 days, while the credit term for non-relates parties is within 30 to 45 days after the end of the month.

The sales prices of food to TAISUN FOODS & MARKETING CO., LTD. is deducted from the related sales expenses based on the market price. The payment term of the transaction is 50% advance receivables, and 50% monthly charge-90 days promissory notes.

The unrealized gross profit on sales between the Company and the above-mentioned related parities has been eliminated based on the equity ratio.

(Continued)

(ii) Purchase of Goods and Processing Cost from Related Parties

	For the Years Ended December 31	
	2022	2021
Associates－CENTRAL UNION OIL CORP.	$ 317,106	266,537

The above payment term for purchasing goods from related parties is within 30 days upon the arrival of the goods, which is the same as those offered to other related parties. The processing fee incurred from the soybean oil refining and processing expenses outsourced by the Company to its related parties was made in advance according to the estimated processing volume, with payment terms reconciled within 15 days after the monthly settlement to make up the payment. In addition, the Company has no other refining and processing transaction outsourced to non-related parties.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	December 31, 2022	December 31, 2021
Account receivable	Subsidiaries-PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 506,762	444,419
	Associates-CENTRAL UNION OIL CORP.	404,528	363,762
	Other associates	3,199	4,753
Other receivable	Subsidiaries-TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	-	21,745
	Subsidiaries-PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD	4,243	3,507
	CHUANG SHIN TRAFFIC CO., LTD.	26	-
		$ 918,758	838,186

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	December 31, 2022	December 31, 2021
Accounts payable	Other associates	$ 4,825	10,863
Other payable	Subsidiaries	6,115	2,488
		$ 10,940	13,351

(Continued)

(v) Loans to related parties (included in the (iii) other recevables metioned above)

The Company's actual loan to related parties was as follows:

	December 31, 2022	December 31, 2021
Subsidiaries:		
TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD.	$ -	21,703

As of December 31, 2022 and 2021, the Company's loan to related parties was calculated at an annual interest rate of 2.10% respectively, wherein the Company receives promissory notes as collateral. Also the Company evaluated that no bad debts were recognized for TAISUN ENTERPRISE (ZHANGZHOU) FOODS CO., LTD. For the years ended December 31, 2022 and 2021, the interest revenue from the loan mentioned above were $402 thousand and $919 thousand respectively.

(vi) Leases

1) Rental revenue

	For the Years Ended December 31	
	2022	2021
Subsidiaries	$ 528	528

2) Rental expenditure

	For the Years Ended December 31	
	2022	2021
Subsidiaries	$ 125	37

The abovementioned leases were conducted under general market price, and the payments were paid (received) by months.

(vii) Other

1) For the years ended December 31, 2022 and 2021, the Company paid logistics fees, promotion fees and gift fees were as follows:

	For the Years Ended December 31	
	2022	2021
Subsidiaries	$ 36,897	33,873

2) For the years ended December 31, 2022 and 2021, the Company received information service fees and warehousing fees were as follows:

	For the Years Ended December 31	
	2022	2021
Subsidiaries	$ 3,943	3,943

(Continued)

3) For the years ended December 31, 2022 and 2021, the Company recogized dividends revenue as follows:

	For the Years Ended December 31	
	2022	2021
Associates：		
CENTRAL UNION OIL CORP.	$ 36,000	32,000
Other related parties：		
TAIWAN FAMILYMART CO., LTD.	235,641	376,023
Subsidiaries：		
CHUANG SHIN TRAFFIC CO., LTD	-	1,087
TAISUN YUAN CO., LTD.	12,000	-
	$ 283,641	**409,110**

4) For the years ended December 31, 2022 and 2021, the Company recognized remunerations to directors as follows:

	For the Years Ended December 31	
	2022	2021
Assicates:		
－CENTRAL UNION OIL CORP.	$ 536	507
	$ 536	**507**

(c) Key management personnel compensation

	For the Years Ended December 31	
	2022	2021
Short-term employee benefits	**$ 243,982**	**61,774**

(8) Pledged assets:

As of December 31, 2022 and 2021, the book value of pledged assets were as follows:

Asset	Purpose of pledge	December 31, 2022	December 31, 2021
Other current financial asset	Forward foreign exchange contranct and foreign exchange options	$ 4,606	4,154
Other current financial asset	Deposit guarantee from provisional execution	900	8,100
Investment througn equity method	Long-term bank loans	-	350,255
Non-current financial assets at fair value through other comprehensive income	Long-term bank loans	1,401,465	-
		$ 1,406,971	**362,509**

(Continued)

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	December 31, 2022	December 31, 2021
Unused standby letters of credit	$ 656,664	478,359

(b) The following are the contract price and the amount paid on fixed assets:

	December 31, 2022	December 31, 2021
Signed-contract	$ 76,339	300,766
Paid-price	$ 59,181	234,028

(c) As of December 31, 2022 and 2021 the Company has issued a promissory note of $250,000 thousand respectively, as a guarantee for bank financing and performance.

(d) In May 2022, the Company entered into a 3-year authorization agreement, effective September 1, 2022, with MATSU LIQUOR FACTORY INDUSTRY CO., LTD. to distribute liquor at a total minimum amount of NTD 300,000 thousand.

(e) On December 2, 2022, the board of directors of the Company passed a resolution to dispose of 43,500 thousand shares held in TAIWAN FAMILYMART CO., LTD. As of December 31, 2022, the Company had disposed of 43,300 thousand shares through a large-scale transaction during trading hours and received the full payment. Regarding this transaction, which was authorized by the board of directors and completed in accordance with the rules of the Taipei Exchange, the Company received a notice from the Commercial Division of the Intellectual Property and Commercial Court on January 11, 2023, and a civil lawsuit filed by EVERWIN INVESTMENT CO., LTD. and LONG BON INTERNATIONAL CO., LTD. to confirm the invalidity of the resolution of the 22nd Board of Directors' 8th Meeting, which authorized the disposal of the shares held in TAIWAN FAMILYMART CO., LTD. The reasons given were that the resolution was invalid because it did not comply with Article 185, Paragraph 1, Subparagraph 2 of the Company Act, which requires the submission of the above proposal to the shareholders' meeting for a spectal resolution, and the board of directors' convocation procedure was illegal. However, the Company had already consulted with lawyers on the matter of disposing of its shares in TAIWAN FAMILYMART CO., LTD. (as well as the holdings of FWUSOW INDUSTRY CO., LTD. and YI JINN INDUSTRIAL CO., LTD. , which were also included in the board of directors' proposal) before the board meeting, and the Company were advised that these were long-term investments and were recorded in the financial reports as non-operating income and expenses, which were not the Company's main business or assets. Even if the Company were to sell all their holdings, it would not prevent the Company's business from being successful or impede its operation. Therefore, the Company disposed of the TAIWAN FAMILYMART CO., LTD. shares to activate the value of our long-term equity investments, improve the shareholders' equity, and enhance the financial structure. This does not constitute a transfer of "all or a significant part of the business or property" as defined in Article 185, Paragraph 1, Subparagraph 2 of the Company Act, and the disposal procedure followed the same procedures as those for acquiring and disposing of assets, which were authorized by the board of directors and did not require the convening of a shareholders' meeting. In addition, the board of directors' authorization of this transaction and its convocation procedures were legal, so the plaintiff's claim that the board of

(Continued)

directors' convocation procedures were illegal, and that the resolution was irreparably flawed and invalid is unfounded. The Company has already appointed a lawyer to file a defense on January 31, 2023, and the case is currently being heard by the Commercial Division of the Intellectual Property and Commercial Court under Case Nos. 56 and 57 of 2022, respectively. There is currently no significant impact on the Company's operations or finances.

(10) Losses due to major disasters:None

(11) Subsequent events:

In March 2023, the company obtained a master distribution agreement for liquor in Taiwan from MATSU LIQUOR FACTORY INDUSTRY CO., LTD. The actual effective date of the contract will be notified by MATSU LIQUOR FACTORY INDUSTRY CO., LTD. after its sales plan is made. The authorization period is three years, and the total sales amount must not be less than 1,589,000 thousand.

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the Years Ended December 31					
	2022			2021		
By funtion / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	275,944	405,095	681,039	191,066	211,203	402,269
Labor and health insurance	21,285	17,299	38,584	20,909	17,410	38,319
Pension	8,889	8,153	17,042	8,778	7,613	16,391
Remuneration of directors	-	207,420	207,420	-	38,582	38,582
Others	14,246	10,359	24,605	13,890	9,723	23,613
Depreciation	73,620	8,320	81,940	68,007	7,665	75,672
Depletion	-	-	-	-	-	-
Amortization	-	1,211	1,211	-	2,495	2,495

For the years ended December 31, 2022 and 2021, the information on the number of employees and employee benefit expense of the Company is as follows:

	2022	2021
Numbers of employees	**558**	**556**
Numbers of directors (non-employee)	**9**	**7**
Average employee benefit expenses	**$ 1,387**	**946**
Average employee salary expenses	**$ 1,241**	**803**
Percentages of average employee salary expense	**54.55 %**	
Remuneration of supervisors	**$ -**	**-**

(Continued)

The Company's salary and remuneration policy information (including directors, managers and employees) is as follows:

(a) The remuneration of the directors of the Company is decided in accordance with Article 19 of its articles of incorporation.The chairman's and directors' remuneration are remunerated through their performance on their duties in the company by the its Salary and Compensation Committee.The article, which is authorized by the board of directors, and accessed through the chairman's and the director's individual participation in the company's operations and the value of contribution and the peer industry level; in addition, if the company makes a profit this year, the director's remuneration shall be allocated less than 5% in accordance with its articles of incorporation. The actual allocation rate, which is reviewed by the Salary and Compensation Committee and be decided on the board meeting. As for independent directors, the board of directors will determine their monthly fixed remuneration, and attendance fees will be paid each time to the directors. And all independent directors will not participate in the company's profit distribution.

(b) The remuneration of the company' s general manager, deputy general managers and managers of equivalent positions includes salary and bonuses. The salary refers to the level of the same industry and the titles, ranks, academic (economic) background, professional ability and responsibilities, etc. And the bonuses are based on managers performance evaluations, which include financial indicators (such as the company's revenue, the achievement rate of pre-tax net profit and after-tax net profit) and non-financial indicators (such as major deficiencies in compliance with laws and regulations and operational risks in the department under the jurisdiction), corresponding to the company The contribution of the overall operation is approved and submitted to the Salary and Compensation Committee for deliberation.

(c) The employee compensation policy is determined based on the individual's ability, contribution to the company, performance, the market value of the position he holds, and consideration of the company's future operational risks. It is positively related to business performance and is not based on their age or gender, race, religion, political stance, marital status, and union membership. If the company makes a profit in the current year, more than 2% shall be allocated as employee compensation in accordance with the Company's articles of association. Employees who have served for two years can apply to join the shareholding trust. The overall remuneration package of employees mainly includes three parts: basic fixed salary, bonus and benefits; and the standard of payment, basic fixed salary is based on the market situation of the position held by the employee, and the bonus is to link the achievement of employees, department goals and the Company's business performance. The business performance of the Company will be issued to the team or individuals who hold an annual commendation. As for the welfare design, the requirements of the law and the needs of the employees are taken into account to design the benefits that the employees can enjoy.

(Continued)

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD	Other receivables-related party	Yes	66,263	66,263	-	2.62%	2	-	Operation Requirements	-		-	1,256,267	2,512,534
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD.	Other receivables-related party	Yes	57,428	57,428	57,428	2.5%	2	-	Operation Requirements	-	Promissory Notes	57,428	306,969	306,969

Note 1: Lending of capital has the following two types:
1.Entities with business transaction with the Company
2. Loans provided for shortterm financing

Note 2: According to our policy, the calculation for the maximum total amount of loans granted are as follows:
1. The Company's total amount available for lending shall not exceed 40% of its net value
2. For entities with business transaction with the Company, the total amount of loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of loans shall not exceed 10% of the Company's net value or 120% of its monthly business transaction with the Company.
3. For entities with business transaction with the Company, the total amount of short-term loans shall not exceed 20% of the Company's net value; and for a single entity, the total amount of short-term loans shall not exceed 10% of the Company's net value or 50% of the net value of the single entity.
4. For those foreign subsidiaries whose voting shares are directly or indirectly whollyowned by the Company, the total amount of loans shall not exceed 100% of the Company's net value, with two years term.

Note 3: Balance of loan as of the reporting date was within the credit limits approved by the Board of Directors.

(ii) Guarantees and endorsements for other parties:None

(iii) Securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Fubon S&P US Preferred Stock ETF	-	Note 2	1,000,000	14,300	- %	14,300	
The Company	Shin Kong Taiwan High Dividend Fund (A)	-	〃	500,000	12,895	- %	12,895	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	33,000	9,913	- %	9,913	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	49,042	0.87 %	49,042	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	18,848	- %	18,848	
The Company	Stock-CHINA TRADE AND DEVELOPMENT CORPORATION	-	〃	2,788	28	- %	28	
The Company	Stock-MEGA 888 CORP.	-	〃	17,350	174	1.16 %	174	
The Company	Stock-HSIN TUNG YANG CO., LTD.	-	〃	79,000	853	0.09 %	853	
The Company	Stock-YIN-WANG CO., LTD	-	〃	10,000	100	10.00 %	100	
The Company	Stock-TAISUN FOODS & MARKETING CO., LTD.	-	〃	886,788	-	18.90 %	-	
The Company	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	3,765,000	70,594	1.17 %	70,594	
The Company	Stock-TAIWAN FAMILYMART CO., LTD.	Other associates	〃	6,836,417	1,401,465	3.06 %	1,401,465	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taitung Business Bank	-	Note 6	9,628	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	Note 3	1,183	79	- %	79	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	587	- %	587	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	20	- %	20	

(Continued)

TAISUN ENTERPRISE CO., LTD.
Notes to the Non-Consoidated Financial Statements

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	Note 2	6,260	399	- %	399	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	12	- %	12	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	23	- %	23	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,536	41	- %	41	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	712	- %	712	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	107,550	1,624	- %	1,624	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	177	- %	177	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	565	16	- %	16	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	336,936	2.07 %	336,936	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-HUALON CORPORATION	-	〃	5,176	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PACIFIC ELECTRIC WIRE & CABLE CO., LTD.	-	〃	579	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD.	-	〃	27,425	-	- %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-ORNATUBE ENTERPRISE CO., LTD.	-	〃	55,000	-	0.01 %	-	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KUEI HUNG INDUSTRIAL CO., LTD.	-	〃	22,000	-	- %	-	
TAIWAN NIKOMART CO., LTD.	Stock-CHAROEN POKPHAND ENTERPRISE (TAIWAN) CO., LTD.	-	〃	117,700	9,216	0.04 %	9,216	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	96,354	0.59 %	96,354	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-Taitung Business Bank	-	Note 6	9,628	-	- %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	368,524	11,995	0.07 %	11,995	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,626	0.03 %	1,626	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	130	- %	130	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	104	- %	104	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-Powerchip Technology Corporation	-	〃	27,624	-	- %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- HUALON CORPORATION	-	〃	5,176	-	- %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- PAO SHIANG CONSTRUCTION & INDUSTRIAL CO., LTD	-	〃	38,760	-	- %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- KUEI HUNG INDUSTRIAL CO., LTD	-	〃	22,000	-	- %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- ORNATUBE ENTERPRISE CO., LTD.	-	〃	60,000	-	0.01 %	-	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- POWERCHIP SEMICONDUCTER MAUFACTURING CO.	-	〃	38,995	1,243	- %	1,243	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	18,247	3.66 %	18,247	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	86,000	1,613	0.03 %	1,613	
TAISUN YUAN CO., LTD.	Stock-TAIWAN FAMILYMART CO., LTD.	Other associates	〃	20,000	4,100	0.01 %	4,100	

Note 1: Financial products after deducting unrealized gains and losses.

Note 2: Financial assets at fair value through profit or loss.

Note 3: Non-current financial assets at fair value through other comprehensive income.

Note 4: Unissued shares.

Note 5: The liquidation procedure was completed on August 8, 2022.

(Continued)

(iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of Property	Account	counter-party	Relationship	Beginning		Buy		Sell				Ending Balance	
					Shares /Units	Amount	Shares/ Units	Amount	Shares/ Units	Price	Book value	Investment income (losses)	Shares/ Units	Amount (Note)
The Company	TAIWAN FAMILYMART CO., LTD.	Investment for using equity method	-	-	50,136,417	3,027,676	-	-	43,300,000	191	3,067,356	6,210,880	6,836,417	-
TATSUN YUANCO., LTD.	TAIWAN FAMILYMART CO., LTD.	Investment for using equity method	-	-	20,000	3,612	-	-	-	-	3,628	192	20,000	-

Note : The Company had lost significant influence over TAIWAN FAMILYMART CO., LTD. On December 5, 2022. And had been transferred from" investment for using equity method" to "non-current financial asset measured at fair value through other comprehensive income", please refer to Note6(g) for further information.

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase /Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Sale	(2,093,274)	(22) %	OA60	No significant difference to the general customers.	General purchases payments in 30~60 days for non-related party	506,762	34%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(2,904,790)	(30) %	OA45~60	Deduct sales expenses related to CENTRAL UNION OIL CORP. based on market price	General purchases payments in 30~45 days for non-related party	404,528	27%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Purchase	317,106	4 %	0A15	No comparable client	No comparable client	(4,825)	(1)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent Company	Purchase	2,093,274	96 %	OA60	No comparable client	No comparable client	(506,762)	(97)%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Other associates	Sale	(115,774)	(5) %	OA45	No significant difference to the general customers	General purchases payments in 30~90 days for non-related party	19,700	4%	
CHUANG SHIN TRAFFIC CO., LTD.	TAIWAN DISTRIBUTION CENTER CO., LTD.	Other associates	Sale	(270,321)	(65) %	Physical distribution - OA30	No significant difference to the general customers	General purchases payments in 30~45 days for non-related party	22,977	53%	
CHUANG SHIN TRAFFIC CO., LTD.	RE-YI DISTRIBUTION SERVICE CO., LTD.	Other associates	Sale	(117,983)	(28) %	Publication distribution - OA45	No significant difference to the general customers	General purchases payments in 30~45 days for non-related party	20,551	47%	

(Continued)

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	CENTRAL UNION OIL CORP.	Subsidiary measured by equity method	Account receivable 404,528	7.56	-	-	404,528	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 506,762	4.40	-	-	496,452	-

(ix) Trading in derivative instruments:Please refer to notes 6(b).

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2022 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2022			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2022	December 31, 2021	Shares	Percentage of ownership	Carrying value			
The Company	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	284,067	284,067	27,203,632	73.92 %	24,352	2,526	(1,037)	Note 1, 3
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Taiwan	Wholesale and retail sales of cooking oil and food	346,126	346,126	21,255,839	99.93 %	235,429	52,112	41,731	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	15,800	6,323	6,323	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,498,670	1,498,670	40,290,000	100.00 %	306,969	62,243	62,243	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	304,201	171,698	57,233	Note 2
The Company	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	-	2,341,622	-	- %	-	1,249,150	280,563	Note 5
The Company	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	7,610	(305)	(401)	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	96,456	(305)	Note 4	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAIWAN NIKOMART CO., LTD.	Taiwan	Operation of chain convenience stores	87,084	87,084	8,904,412	24.20 %	34,737	2,526	〃	Note 3
TATSUN YUAN CO., LTD.	TAIWAN FAMILYMART CO., LTD.	Taiwan	Operation of, and investment in, chain convenience stores	-	3,522	-	- %	-	1,249,150	112	Note 5

Note 1: The part of holding of the Company's stock by a subsidiary, is treated as treasury stock, has been deducted; please refer to Notes 6(q).

Note 2: Unrealized gains and losses on transactions between affiliates have been eliminated.

Note 3: The impairment loss recognized with the indication of impairment has been deducted.

Note 4: Disclosures are exempted in accordance with the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 5: The Company had lost significant influence over TAIWAN FAMILYMART CO., LTD. On December 5, 2022. And had transferred from" investment for using equity method" to "non-current financial asset measured at fair value through other comprehensive income", please refer to Note6(g) for further information. In addition, the disclosure period of the profit and loss of investee companies is from January 1, 2022 to November 30, 2022.

(Continued)

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main business and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
TAISUN ENTERPRISE (ZHANGZHOU) FOODS LTD.	Operation, production and sales of food, beverages, snacks, canned products, etc.	844,470 (USD27,500)	(Note 1)	1,025,647 (USD33,400)	-	-	1,025,647 (USD33,400)	66,700	100.00%	66,700	229,628	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	38,999 (USD1,270)	(Note 6)	19,039 (USD620)	-	-	19,039 (USD620)	-	3.66%	-	-	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	102,196 (USD3,328)	(Note 6)	22,417 (USD730)	-	-	22,417 (USD730)	-	3.66%	-	1,355	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,067,103	1,469,378	7,537,603

Note 1: Indirect investment in Mainland China through the company (TAISUN (CAYMAN) INVESTMENT LTD) in the third region.

Note 2: Indirect investment in Mainland China through an existing company in Mainland China. According to the rules of the Investment Board, Ministry of Economic Affairs, the reinvestment of investment businesses in Mainland China does not need to apply to the Investment Board; therefore, these investment amounts are not included in the calculation of the Company's investment in Mainland China.

Note 3: The recognition of the investment through profit or loss of TAISUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD. and TAISUN (HERBAL) CO., LTD are based on the financial statements which were reviewed and attested by parent company's CPA in R.O.C. within the same period.

Note 4: The above amounts were translated into New Taiwan dollars at the exchange rate 30.708 as of December 31, 2022.

Note 5: According to the rules of the Investment Board, Ministry of Economic Affairs, the maximum amount on investments should be the higher of the Company's net asset or 60% of the consolidated net assets.

Note 6: The Company reinvested 3.66% shareholding in YAMAI LIMITED, whose company is in Hong Kong and indirectly held 100% shares of its Mainland China company, through TAISUN (CAYMAN) INVESTMENT LTD. The Company does not have any significant influence on YAMAI LIMITED, therefore, no gain or loss on its investment was recognized.

(iii) For details of capital lending to TATSUN ENTERPRISE (ZHANG ZHOU) FOODS CO., LTD., please refer to Note 13(a).

(iv) Significant transactions

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(Continued)

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	180,947,000	36.18 %
EVERWIN INVESTMENT CO., LTD.	58,279,000	11.65 %
JUN YUAN INVESTMENT CO., LTD.	28,754,000	5.75 %
CHU-YU INVESTMENT LTD.	25,149,000	5.02 %

(14) Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2022.

Taisun Enterprise Co., Ltd.

Statement of Cash and Cash Equivalents

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 200
Cash in banks		
Foreign currency deposits	USD2,362,875.82 thousand (rate 30.708)	72,559
Foreign currency deposits	JPY40,377,113 thousand (rate 0.2324)	9,384
Foreign currency deposits	CNY5,088,551 thousand (rate 4.4175)	22,479
Foreign currency deposits	EUR6,656.35 thousand (rate 32.7101)	192
Check deposits		11,451
Current deposits		7,890,178
		$ 8,006,443

Statement of Account Receivable

Client name	Description	Amount	Note
Client A	Payment for goods	$ 107,603	
Client B	〃	66,900	
Client C	〃	52,021	
Client D	〃	44,231	
Others	〃	218,629	The year-end balance of each client does not exceed 5% of the account balance.
Total		489,384	
Less: Allowance for impairment		(38,166)	
Net account receivable		**$ 451,218**	

Taisun Enterprise Co., Ltd.

Statement of Account Receivables-Related Parties

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Client name	Description	Amount	Note
CENTRAL UNION OIL CORP.	Payment for goods	$ 404,528	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	〃	506,762	
Others	〃	3,199	The year-end balance of each client does not exceed 5% of the account balance.
Total		914,489	
Less: Allowance for impairment		-	
		$ 914,489	

Statement of Inventories

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	$ 656,180	655,307	Market price is based on the selling price on the reporting date.
Materials	25,601	24,739	"
Work in process	380,774	379,639	"
Finished goods	434,161	435,920	"
Consumptive biological assets	21,260	21,896	"
Subtotal	1,517,976	**1,517,501**	
Less: Allowance for, and loss from, slow-moving inventories	(22,993)		
Total	**$ 1,494,983**		

Taisun Enterprise Co., Ltd.

Statement of financial assets measured at fair value through other comprehensive income - non-current

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning balance		Addition		Decrease		Adjustments on fair value	Ending balance		Cumulative impairment	Collateral	Notes
	Shares	Fair value	Shares	Amount	Shares	Amount		Shares	Fair value			
Cathy Financial Holding Co., Ltd. Preferred Stock A	333,000	$ 20,946	-	-	-	-	(2,098)	333,000	18,848	-	None	
CHINA TRADE AND DEVELOPMENT CORPORATION	2,788	28	-	-	-	-	-	2,788	28	-	None	
MEGA 888 CORP.	17,350	174	-	-	-	-	-	17,350	174	-	None	
HSIN TUNG YANG CO., LTD.	79,000	853	-	-	-	-	-	79,000	853	-	None	
YIN-WANG CO., LTD.	10,000	100	-	-	-	-	-	10,000	100	-	None	
TAISUN FOODS & MARKETING CO., LTD.	866,788	-	-	-	-	-	-	866,788	-	-	None	
FWUSOW INDUSTRY CO., LTD.	3,765,000	76,429	-	-	-	-	(5,835)	3,765,000	70,594	-	None	
TAIWAN FAMILYMART CO., LTD.	-	-	6,836,417	1,305,756	-	-	95,709	6,836,417	1,401,465	-	Long-term bank loan	Note 1
		$ 98,530		**1,305,756**		**-**	**87,776**		**1,492,062**	**-**		

Note 1: The increase in the current period is mainly due to the loss of significant influence on the disposal of a portion of the Company's investments accounted for using the equity method on December 5, 2022. Therefore, noncurrent financial asset measured at fair value through other comprehensive income were transferred to fair value on December 5, 2022.The Company had lost significant influence over TAIWAN FAMILYMART CO., LTD. on December 5, 2022. And had been transferred from "investment for using equity method" to "noncurrent financial asset measured at fair value through other comprehensive income".

Taisun Enterprise Co., Ltd.

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Name of investee	Benining balance		Addition		Decrease (note 1)		Exchange difference on translation of foreign financial statement	Adjustments for using equity method (Note 2)	Ending balance			Market value or net assets value		Collateral
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage of ownership	Amount	Unit price	Total amount	
TAIWAN NIKOMART CO., LTD.	27,203,632	$ 22,484	-	-	-	-	-	1,868	27,203,632	73.92 %	24,352	3.90	106,110	None
PIN-TAI DISTIBUTION ENTERPRISE CO., LTD.	21,255,839	177,404	-	-	-	-	-	58,025	21,255,839	99.93 %	235,429	28.49	605,604	"
TAISUN (CAYMEN) INVESTMENT CO., LTD.	40,290,000	234,769	-	-	-	-	10,683	61,517	40,290,000	100.00 %	306,969	7.78	313,524	"
CENTRAL UNION OIL CO., LTD.	20,000,000	282,630	-	-	-	36,000	-	57,571	20,000,000	33.33 %	304,201	15.34	306,725	"
TAIWAN FAMILYMART CO., LTD.	50,136,417	3,027,676	-	-	50,136,417	3,302,997	-	275,321	-	- %	-	-	-	Note 3
CHUANG SHIN TRAFFIC CO., LTD.	1,358,480	7,868	-	-	-	-	-	(258)	1,358,480	13.26 %	7,610	11.17	15,171	None
TAISUN YUAN CO., LTD.	500,000	21,332	-	-	-	12,000	-	6,468	500,000	100.00 %	15,800	31.60	15,800	"
		$ 3,774,163		**-**		**3,350,997**	**10,683**	**460,512**			**894,361**			

Note 1: The decrease in the current period was due to the acquisition of cash dividends amounting to $283,641 thousand dollars from the invested companies.

Note 2: Adjustments using equity method comprised of gain or loss from subsidiaries and affiliated enterprises amounting to $446,655 thousand. Also, the capital reserve treasury shares amounted to $$13,608 thousand dollars and the change in other comprehensive income amounted to $5,529 thousand, as well as the unrealized gain or loss from downstream and upstream transactions amounted to $(5,280) thousand.

Note 3: The Company had sold part of its shareholding, which decreased from 22.46% to 3.06% and lost significant influence over TAIWAN FAMILYMART CO., LTD. On December 5, 2022. And it was transferred from "investment for using equity method" to "non current financial assets measured at fair value through other comprehensive income", please refer to Note 6(g) for further information.

Taisun Enterprise Co., Ltd.

Statement of Changes in Property, Plant and Equipment

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 6(h) for more information.

Statement of Short-term Borrowings

December 31, 2022

Creditor	Type	Ending blance	Contract period	Interest rate	Credit lines	Collateral	Note
Mega international Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	$ 53,254	2022.12.28~2023.03.28	5.69%	96,358	None	
Taiwan Cooperative Bank	Purchase Loan (Letter of Credit)	15,303	2022.12.30~2023.03.30	6.11%	64,949	None	
JihSun International Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	27,493	2022.12.29~2023.03.18	5.31%	58,811	None	
Land Bank of Taiwan	Purchase Loan (Letter of Credit)	93,305	2022.12.29~2023.03.21	5.98%	93,305	None	
Taipei Fubon Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	12,279	2022.12.03~2023.03.03	5.57%	57,870	None	
Taipei Fubon Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	1,445	2022.12.30~2023.06.28	5.36%	57,870	None	
Taipei Fubon Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	453	2022.12.21~2023.06.19	5.36%	57,870	None	
Taipei Fubon Commercial Bank Co., Ltd.	Purchase Loan (Letter of Credit)	86,464	2022.12.28~2023.06.26	5.36%	90,752	None	
Bangkok Bank Public Company Limited	Purchase Loan (Letter of Credit)	86,464	2022.12.28~2023.06.26	6.13%	90,752	None	
Bangkok Bank Public Company Limited	Purchase Loan (Letter of Credit)	33,030	2022.12.28~2023.06.26	6.13%	33,030	None	
DBS Bank	Credit Loan	50,000	2022.12.01~2023.02.01	1.99%	100,000	None	
Bank of Kaohsiung Co., Ltd.	Credit Loan	200,000	2022.11.16~2023.02.16	1.55%	200,000	None	
First Commercial Bank	Credit Loan	100,000	2022.11.16~2023.02.16	1.675%	100,000	None	
		$ 759,490			**$ 1,101,567**		

Taisun Enterprise Co., Ltd.

Statement of Account Payables

December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Vendor name	Description	Amount	Note
A	Payment for goods	32,248	
B	〃	28,090	
Other	〃	483,159	The year-end balance of each vendor does not exceed 5% of the account balance.
Total		**$ 543,497**	

Statement of Long-term Borrowings

Creditor	Description	Ending balance	Contract period	Interest rate	Collateral	Note
JihSun International Commercial Bank		$ 220,000	2020.10.30~2023.07.21	1.51 %	Non-current financial assets at fair value through other comprehensive income	
Taishin International Bank		350,000	2020.11.04~2023.11.03	2.25 %	Non-current financial assets at fair value through other comprehensive income	
Less: due in one year		(570,000)				
		$ -				

Taisun Enterprise Co., Ltd.

Statement of Operating Revenue

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Quantity	Amount
Soy powder and soybean	187,917 tons	$ 3,454,311
Beverage	14,846 thousand boxes	2,901,576
Cooking oil	30,159 tons	2,819,347
Livestock	16,281 tons	455,588
Others		13,153
Total		9,643,975
Less: Sales return		(14,532)
Sales discount		(13,494)
Net operating revenue		**$ 9,615,949**

Taisun Enterprise Co., Ltd.

Statement of Operating Costs

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cost of sales from manufacturing		
Raw material		
Raw material, January 1		$ 149,428
Add: Purchase		6,285,122
Less: Raw material, December 31		(656,180)
Transfer into expense		(1,756)
Inventory loss of raw materials		(35)
Disposal of raw materials		(135)
		5,776,444
Indirect raw materials		
Materials, January 1		24,032
Add: Purchase		1,079,253
Less: Materials, December 31		(25,601)
Transfer into expense		(321)
Inventory loss on materials		(165)
		1,077,198
Direct labor		213,832
Manufacturing expense		652,249
Work in process, January 1		173,624
Add: Purchase		471,803
Inventory gain on work in process		5,714
Less: Work in process, December 31		(380,774)
Disposal of work in process		(577)
Transfer into expense		(65)
Cost of finished goods		7,989,448
Finished goods, January 1		343,658
Add: Purchase		881,165
Less: Finished goods, December 31		(455,421)
Transfer into expense		(20,943)
Inventory loss on finished goods		(6,008)
Transfer into biological assets-non current		(3,148)
Disposal of finished goods		(4,673)
Revenue from sales of scraps		(2,576)
Inventory gain		494
Disposal of inventory		5,385
Cost of goods sold		8,727,381
Cost of lease		1,222
		$ 8,728,603

Taisun Enterprise Co., Ltd.

Statement of Selling Expenses

For the year ended December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Item	Selling Expenses	Administrative Expenses	Expected Credit Loss	Total
Salary and wages expenses	$ 149,801	470,867	-	620,668
Transportation expense	97,446	442	-	97,888
Advertising expense	208,210	-	-	208,210
Taxes	63,580	3,074	-	66,654
Expected credit loss	-	-	7,000	7,000
Other	235,551	146,385	-	381,936
Total	**$ 754,588**	**620,768**	**7,000**	**1,382,356**

Note1: The year-end balance of each item does not exceed 5% of the account balance.

Summary Statement of Gains on Disposal of Investment

Please refer to Note 6(g) and (u) for more information.