Stock Code:1218

TAISUN ENTERPRISE CO., LTD.
AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022

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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.

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Independent Auditors' Review Report

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Taisun Enterprise Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with the Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to $171,177 thousand and $182,459 thousand, constituting 1.14% and 1.68% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to $66,611 thousand and $78,608 thousand, constituting 2.76% and 1.86% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive income amounting to $2,082 thousand and $(459) thousand, constituting 5.77% and (0.32)% of consolidated total comprehensive income for the three months ended March 31, 2023 and 2022, respectively.

Furthermore, as stated in Note 6(g), the other equity accounted investments of Taisun Enterprise Co., Ltd. and its subsidiaries in its investee companies of $315,445 thousand and $297,287 thousand as of March 31, 2023 and 2022, respectively, and its equity in net earnings on these investee companies of $11,389 thousand and $16,696 thousand for the three months ended March 31, 2023 and 2022, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

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Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors (please refer to Other Matters paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Taisun Enterprise Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of the Matter－Contingent Liabilities

As stated in Note 9(f) 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 conclusion is not modified in respect of this matter.

Emphasis of the Matter－Subsequent Events

As described in Note 11(a) and (b) of the consolidated financial statements, Taisun Enterprise Co., Ltd. discussed significant resolutions and their circumstances during the Board meeting held on May 5, 2023. Our conclusion is not qualified in respect of this matter.

Other Matters

We did not review the financial statements of associates, which represented investments in other entities accounted for using the equity method. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for associates, is based solely on the review reports of other auditors. The investments in associates accounted for using the equity method amounting to $3,066,959 thousand, constituting 28.18% of consolidated total assets as of March 31, 2022, and the related share of profit of associates accounted for using the equity method amounting to $38,284 thousand, constituting 24.44% of consolidated total profit before tax for the three months ended March 31, 2022.

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

KPMG

Taipei, Taiwan (Republic of China)
May 13, 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 review 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)

Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2023, December 31, 2022, and March 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2023		December 31, 2022		March 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note 6(a))	$ 7,390,973	49	8,504,412	51	1,653,188	15
1110	Current financial assets at fair value through profit or loss (Note 6(b))	98,598	1	95,366	1	89,737	1
1150	Notes receivable, net (Note 6(d))	113,714	1	164,053	1	108,272	1
1170	Accounts receivable, net (Note 6(d))	741,551	5	831,258	5	755,247	7
1180	Accounts receivable due from related parties, net (Notes 6(d) and 7)	407,265	3	487,544	3	412,693	4
1200	Other receivables, net (Notes 6(e) and 13(a))	9,813	-	10,123	-	13,833	-
1220	Total current tax assets	-	-	-	-	1,502	-
1310	Inventories, manufacturing business (Note 6(f))	1,233,942	9	1,570,255	10	932,131	9
1400	Current biological assets	23,696	-	21,260	-	25,170	-
1421	Prepayments to suppliers	154,325	1	367,369	2	359,936	3
1429	Other prepayments	26,732	-	37,236	-	38,690	-
1476	Other current financial assets (Note 8)	6,968	-	5,506	-	384,479	4
1479	Other current assets, others	4,650	-	6,348	-	5,913	-
	Total current assets	10,212,227	69	12,100,730	73	4,780,791	44
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (Notes 6(c), (g) and 8)	1,627,655	11	1,522,815	9	119,361	1
1550	Investments accounted for using equity method (Notes 6(g), 8 and 9)	315,445	2	304,201	2	3,364,246	31
1600	Property, plant and equipment (Note 6(h))	2,008,604	13	1,988,740	12	1,944,748	18
1755	Right-of-use assets (Note 6(i))	12,298	-	13,010	-	14,450	-
1760	Investment property, net (Note 6(j))	612,717	4	613,160	4	614,460	6
1780	Intangible assets	350	-	612	-	1,468	-
1830	Non-current biological assets	6,336	-	7,065	-	6,286	-
1840	Deferred tax assets (Note 6(r))	33,490	-	33,490	-	3,059	-
1915	Prepayments for business facilities	72	-	3,510	-	2,298	-
1975	Net defined benefit asset, non-current (Note 6(q))	52,905	-	51,783	-	20,574	-
1980	Other non-current financial assets	131,064	1	15,488	-	12,842	-
	Total non-current assets	4,800,936	31	4,553,874	27	6,103,792	56
	Total assets	**$ 15,013,163**	**100**	**16,654,604**	**100**	**10,884,583**	**100**

		March 31, 2023		December 31, 2022		March 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Note 6(k))	$ 33,478	-	769,490	5	1,130,499	10
2110	Short-term notes and bills payable (Note 6(l))	20,000	-	370,000	2	120,000	1
2120	Current financial liabilities at fair value through profit or loss (Note 6(b))	-	-	-	-	11	-
2130	Current contract liabilities (Note 6(u))	36,426	-	53,777	-	48,444	-
2150	Notes payable	6,788	-	659	-	945	-
2170	Accounts payable (Notes 6(m) and 7)	566,011	4	615,996	4	602,216	6
2200	Other payables (Notes 6(q) and (v))	790,479	5	949,854	6	861,471	8
2230	Current tax liabilities (Note 6(r))	339,284	2	339,284	2	78,563	1
2280	Current lease liabilities (Note 6(o))	1,221	-	1,718	-	2,618	-
2322	Long-term borrowings, current portion (Note 6(n))	220,000	2	570,000	4	80,000	1
2399	Other current liabilities, others (Note 7)	166,303	1	185,800	1	155,612	1
	Total current liabilities	2,179,990	14	3,856,578	24	3,080,379	28
	Non-Current liabilities:						
2540	Long-term borrowings (Note 6(n))	-	-	-	-	920,000	9
2570	Deferred tax liabilities	223,071	1	223,071	1	222,537	2
2580	Non-current lease liabilities (Note 6(o))	426	-	566	-	474	-
2640	Net defined benefit liability, non-current	-	-	-	-	4,841	-
2670	Other non-current liabilities, others	6,730	-	6,530	-	6,645	-
	Total non-current liabilities	230,227	1	230,167	1	1,154,497	11
	Total liabilities	2,410,217	15	4,086,745	25	4,234,876	39
	Equity (Notes 6(c), (g) and (s)):						
3110	Ordinary share	4,999,990	33	4,999,990	30	4,999,990	46
3200	Capital surplus	1,006,742	7	1,006,742	6	1,006,742	9
	Retained earnings:						
3310	Legal reserve	276,984	2	276,984	2	209,930	2
3320	Special reserve	240,776	2	240,776	1	240,776	2
3350	Unappropriated retained earnings	6,143,902	41	6,213,851	37	490,665	5
3400	Other equity interest	133,185	1	28,205	-	(99,651)	(1)
3500	Treasury stock	(203,876)	(1)	(203,876)	(1)	(203,876)	(2)
	Total equity attributable to owners of parent:	12,597,703	85	12,562,672	75	6,644,576	61
36XX	Non-controlling interests	5,243	-	5,187	-	5,131	-
	Total equity	12,602,946	85	12,567,859	75	6,649,707	61
	Total liabilities and equity	**$ 15,013,163**	**100**	**16,654,604**	**100**	**10,884,583**	**100**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2023 and 2022

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

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Notes 6(u) and 7)**	$ 2,649,807	100	2,573,577	100
5000	**Operating costs (Notes 6(f), (q) and 7)**	2,358,855	89	2,177,741	85
5910	Less: Unrealized profit (loss) from sales	548	-	2,270	-
5920	Add: Realized profit (loss) on from sales	403	-	231	-
	Gross profit from operations	290,807	11	393,797	15
	Operating expenses (Notes 6(d), (f), (o), (q), (v) and 7):				
6100	Selling expenses	271,497	10	194,137	8
6200	Administrative expenses	125,880	5	102,476	4
6450	Expected credit loss	994	-	861	-
	Total operating expenses	398,371	15	297,474	12
	Net operating (loss) income	(107,564)	(4)	96,323	3
	Non-operating income and expenses :				
7020	Other gains and losses, net (Note 6(w))	30,116	1	9,720	-
7050	Finance costs, net (Note 6(w))	(6,148)	-	(5,523)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method, net (Note 6(g))	11,389	-	54,980	3
7100	Total interest income (Note 6(w))	2,302	-	1,117	-
	Total non-operating income and expenses	37,659	1	60,294	3
7900	**(Loss) profit from continuing operations before tax**	(69,905)	(3)	156,617	6
7950	**Less: Income tax expenses (Note 6(r))**	-	-	16,500	1
	(Loss) profit	(69,905)	(3)	140,117	5
8300	**Other comprehensive income (Note 6(s)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	104,990	4	(1,718)	-
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	-	-	(2,613)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		104,990	4	(4,331)	-
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	2	-	9,185	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		2	-	9,185	-
8300	**Other comprehensive income, net**	104,992	4	4,854	-
8500	**Total comprehensive income**	**$ 35,087**	**1**	**144,971**	**5**
	Profit, attributable to:				
8610	Owners of parent	$ (69,949)	(3)	140,116	5
8620	Non-controlling interests	44	-	1	-
		$ (69,905)	**(3)**	**140,117**	**5**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 35,031	1	144,985	5
8720	Non-controlling interests	56	-	(14)	-
		$ 35,087	**1**	**144,971**	**5**
	Basic earnings per share (Note 6(t))				
9750	**Basic earnings per share**	**$**	**(0.14)**		**0.29**
9850	**Diluted earnings per share**	**$**	**(0.14)**		**0.29**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2023 and 2022

(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, 2022	$ 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	-	-	-	-	140,116	140,116	-	-	-	-	140,116	1	140,117
Other comprehensive income	-	-	-	-	-	-	9,185	(4,316)	4,869	-	4,869	(15)	4,854
Total comprehensive income	-	-	-	-	140,116	140,116	9,185	(4,316)	4,869	-	144,985	(14)	144,971
Appropriation and distribution of retained earnings:													
Cash dividends of ordinary share	-	-	-	-	(499,999)	(499,999)	-	-	-	-	(499,999)	-	(499,999)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by associates accounted for using equity method	-	-	-	-	(1,433)	(1,433)	-	1,433	1,433	-	-	-	-
Adjustments of capital surplus for the Company's cash dividends received by subsidiaries	-	13,608	-	-	-	-	-	-	-	-	13,608	-	13,608
Balance at March 31, 2022	**$ 4,999,990**	**1,006,742**	**209,930**	**240,776**	**490,665**	**941,371**	**(25,368)**	**(74,283)**	**(99,651)**	**(203,876)**	**6,644,576**	**5,131**	**6,649,707**
Balance at January 1,2023	$ 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
Profit	-	-	-	-	(69,949)	(69,949)	-	-	-	-	(69,949)	44	(69,905)
Other comprehensive income	-	-	-	-	-	-	2	104,978	104,980	-	104,980	12	104,992
Total comprehensive income	-	-	-	-	(69,949)	(69,949)	2	104,978	104,980	-	35,031	56	35,087
Balance at March 31, 2023	**$ 4,999,990**	**1,006,742**	**276,984**	**240,776**	**6,143,902**	**6,661,662**	**(9,369)**	**142,554**	**133,185**	**(203,876)**	**12,597,703**	**5,243**	**12,602,946**

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) operating activities:		
(Loss) profit before tax	$ (69,905)	156,617
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	34,282	25,350
Amortization expense	262	401
Expected credit losses	994	861
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(3,232)	2,618
Interest expense	6,148	5,523
Interest income	(2,302)	(1,117)
Dividend income	(154)	-
Shares of profit of associates and joint ventures accounted for using equity method	(11,389)	(54,980)
Gains on disposal of property, plant and equipment	(447)	(476)
Unrealized profit from sales	548	2,270
Realized profit on from sales	(403)	(231)
Total adjustments to reconcile profit (loss)	24,307	(19,781)
Changes in operating assets and liabilities:		
Decrease in current financial assets at fair value through profit or loss	-	10,000
Decrease in notes receivable	50,339	55,609
Decrease in accounts receivable	88,718	12,944
Decrease in accounts receivable due from related parties	80,279	39,458
Decrease (increase) in other receivables	316	(1,438)
Decrease (increase) in inventories	336,443	(218,575)
(Increase) decrease in biological assets	(2,405)	1,262
Decrease in prepayments	223,637	259,327
Decrease in other current assets	1,702	309
Increase in defined benefit assets - non-current	(1,122)	(724)
Decrease in contract liabilities	(17,568)	(762)
Increase in notes payable	6,129	226
(Decrease) increase in accounts payable	(49,974)	23,466
Decrease in other payables	(160,346)	(94,865)
Decrease in other current liabilities	(19,560)	(9,414)
Decrease in net defined benefit liabilities	-	(278)
Total changes in operating assets and liabilities, net	536,588	76,545
Total adjustments	560,895	56,764
Cash inflow generated from operations	490,990	213,381
Interest received	2,302	1,117
Interest paid	(6,148)	(5,523)
Income taxes paid	(16)	(2,801)
Net cash flows from (used in) operating activities	487,128	206,174

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (CONT'D)

For the three months ended March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(49,620)	(17,936)
Proceeds from disposal of property, plant and equipment	1,496	621
Increase in other financial assets	(117,240)	(372,494)
Increase in prepayments for business facilities	-	(985)
Dividends received	154	-
Net cash flows used in investing activities	(165,210)	(390,794)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	793,646	1,284,960
Decrease in short-term borrowings	(1,529,658)	(670,773)
Increase in short-term notes and bills payable	30,000	255,000
Decrease in short-term notes and bills payable	(380,000)	(655,000)
Repayments of long-term debt	(350,000)	(50,000)
Payment of lease liabilities	(637)	(763)
Increase in other non-current liabilities	195	-
Net cash flows from (used in) financing activities	(1,436,454)	163,424
Effect of exchange rate changes on cash and cash equivalents	1,097	9,824
Net decrease in cash and cash equivalents	(1,113,439)	(11,372)
Cash and cash equivalents, beginning of the period	8,504,412	1,664,560
Cash and cash equivalents, end of the period	**$ 7,390,973**	**1,653,188**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(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 March 31, 2023 and 2022 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 May 5, 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, 2023:

- 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"

(b) 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"

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

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

Investor Company	Subsidiary	Nature of business	Shareholding ratio			Notes
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	PIN-TAI DISTRIBUTION, ENTERPRISE CO., LTD.	Wholesaler of cooking oil and food	99.93 %	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 %	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 %	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 %	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 %	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 products	100.00 %	100.00 %	100.00 %	A subsidiary that TAISUN (CAYMAN) INVESTMENT LTD. directly holds more than 50% of its shares.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Investor Company	Subsidiary	Nature of business	Shareholding ratio March 31, 2023	Shareholding ratio December 31, 2022	Shareholding ratio March 31, 2022	Notes
TAISUN (CAYMAN) INVESTMENT LTD.	Taisun International Ltd.	Operating oil sales	100.00 %	- %	- %	A subsidiary that TAISUN (CAYMAN) INVESTMENT LTD. directly holds more than 50% of its shares.

Note: CHUANG SHIN TRAFFIC CO., LTD. is a non-significant subsidiary for the three months ended March 31, 2023 and 2022, its financial statements have not been reviewed.

(ii) Subsidiaries excluded from consolidation：None.

(c) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate which is forecasted by the management. This should be recognized fully as tax expense for the current period and allocated to current and deferred taxes based on its proportionate size.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(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 IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and 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 preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which is in conformity with the consolidated financial statements for the year ended December 31, 2022. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the consolidated interim financial statements for the current period and the consolidated financial statements for the year ended December 31, 2022. Please refer to Note 6 of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand and petty cash	$ 1,392	1,995	1,603
Check deposits	23,119	17,486	15,366
Cash in banks	7,249,509	8,243,728	1,469,914
Time deposits	46,980	176,259	154,316
Cash equivalents	69,973	64,944	11,989
Cash and cash equivalents	**$ 7,390,973**	**8,504,412**	**1,653,188**

The deposit accounts of $88,641 thousand, $0 and $4,293 thousand, which did not meet the definition of cash and cash equivalents and were not restricted, were classified as other financial assets-current on the March 31, 2023, December 31, 2022 and March 31, 2022.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Assets mandatorily measured at fair value through profit or loss:			
Derivative instruments not used for hedging			
Forward exchange contracts	$ -	-	1,918
Non-derivative financial assets			
Stocks listed on domestic markets	59,086	58,258	56,824
Beneficiary certificates open-end funds	39,512	37,108	30,995
Total	**$ 98,598**	**95,366**	**89,737**

	March 31, 2023	December 31, 2022	March 31, 2022
Liabilities mandatorily measured at fair value through profit or loss:			
Forward exchange contracts	**$ -**	**-**	**11**

(Continued)

(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:

	March 31, 2022		
	Contract amount (In thousands)	**Exercise price**	**Exercise date**
Buy option	**USD 2,000**	27.490~27.78(USD/NTD)	2022.04.20~2022.05.12
Sell option	**USD 2,000**	27.490~27.78(USD/NTD)	2022.04.20~2022.05.12

(c) Non-current financial assets at fair value through other comprehensive income

	March 31, 2023	**December 31, 2022**	**March 31, 2022**
Equity instruments at fair value through other comprehensive income-non current:			
Shares of stock of listed companies	$ 1,608,404	1,503,413	106,612
Shares of stock of unlisted companies	1,155	1,155	1,155
Shares of stock of overseas unlisted companies	18,096	18,247	11,594
Total	**$ 1,627,655**	**1,522,815**	**119,361**

(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.

(iii) Please refer to Note 6(x) for credit risk and market risk.

(iv) Please refer to Note 8 for details on pledged assets for bank loans on March 31, 2023 and December 31, 2022. The aforesaid financial assets were not pledged as collateral on March 31, 2022.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	$ 113,714	164,053	108,272
Accounts receivable	780,772	869,424	787,407
Accounts receivable from related parties	407,265	487,544	412,693
Overdue receivables	11,394	11,452	11,387
Less：Allowance for impairment	(50,615)	(49,618)	(43,547)
	$ 1,262,530	**1,482,855**	**1,276,212**

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:

	March 31, 2023		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,203,748	0%~2.55%	30,765
Overdue 0 to 90 days	39,886	0%~0.04%	16
Overdue 91 to 180 days	-	0%~8.33%	-
Overdue 181 to 270 days	-	0%~11.42%	-
Overdue 271 to 360 days	4	10%~25%	-
Over 365 days past due	881	100%	881
Total	**$ 1,244,519**		**31,662**

	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)

	March 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 1,215,870	0~2.55%	31,092
Overdue 0 to 90 days	41,298	0~4.62%	954
Overdue 91 to 180 days	20	1.32~8.33%	20
Overdue 181 to 270 days	-	5.49~11.42%	-
Overdue 271 to 360 days	-	12.50~33.33%	-
Over 365 days past due	844	100%	844
Total	**$ 1,258,032**		**32,910**

The loss allowance provision in aquafeed segment was determined as follow:

	March 31, 2023		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 43,222	0.12%	52
Overdue 0 to 90 days	1,478	2.57%	38
Overdue 91 to 180 days	4,913	10.15%	499
Overdue 181 to 270 days	8,526	10.28%~92.38%	7,877
Overdue 271 to 360 days	-	25%	-
Over 365 days past due	9,874	100%	9,874
Total	**$ 68,013**		**18,340**

	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**

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Current	$ 49,127	0.10%	49
Overdue 0 to 90 days	1,857	2.14%	39
Overdue 91 to 180 days	89	10.93%	10
Overdue 181 to 270 days	131	12.73%	16
Overdue 271 to 360 days	-	29.17%	-
Over 365 days past due	9,869	100%	9,869
Total	**$ 61,073**		**9,983**

Other than note receivables and account receivables mentioned above, the loss allowance provision at 100% expected loss rate was determined as follow:

	March 31, 2023		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 613**	100%	**613**

	December 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 660**	100%	**660**

	March 31, 2022		
	Gross carrying amount	Expected loss rate	Loss allowance provision
Over 365 days past due	**$ 654**	100%	**654**

The movements in the allowance for notes and accounts receivable were as follow:

	For the three months ended March 31	
	2023	2022
Balance on January 1	$ 49,618	42,658
Impairment losses recognized	994	861
Foreign exchange losses	3	28
Balance on March 31	**$ 50,615**	**43,547**

As of March 31, 2023, December 31, 2022 and March 31, 2022, the financial assets mentioned above were not pledged as collateral.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(e) Other receivables

		March 31, 2023	December 31, 2022	March 31, 2022
Other receivables	$	15,213	15,523	19,233
Less: allowance for impairment		(5,400)	(5,400)	(5,400)
	$	**9,813**	**10,123**	**13,833**

The movements in the allowance for impairment for other receivables were as follow:

		For the three months ended March 31	
		2023	2022
Balance on January 1	$	5,400	5,400
Allowance for impairment		-	-
Balance on March 31	**$**	**5,400**	**5,400**

As of March 31, 2023, December 31, 2022 and March 31, 2022, 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 March 31, 2023, December 31, 2022 and March 31, 2022, the aforesaid financial assets were not pledged as collateral.

(f) Inventories

		March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	$	468,601	664,957	362,488
Materials		30,980	24,271	29,874
Work in process		239,454	381,736	160,343
Finished goods		426,216	429,724	327,707
Merchandise		68,691	69,567	51,719
	$	**1,233,942**	**1,570,255**	**932,131**

(Continued)

Other gains or losses from inventories except for cost of goods sold recognized as expenses in the current period:

	For the three months ended March 31	
	2023	2022
Operating cost		
Inventory price gains from price recovery of inventory	$ (307)	(62)
Revenue from sale of scraps	(79)	(265)
(Gains) losses on physical inventory	(2,739)	1,004
Losses on disposal	825	1,065
Operating expenses	5,752	5,778
	$ 3,452	**7,520**

For the three months ended March 31, 2023 and 2022 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 March 31, 2023, December 31, 2022 and March 31, 2022, 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		
			March 31, 2023	December 31, 2022	March 31, 2022
TAIWAN FAMILYMART CO., LTD.	Operate chained convenience stores, explore selling points for the Group	Taiwan	- %	- %	22.47 %

TAIWAN FAMILYMART CO., LTD. is one of the listed companies in Taiwan, with its fair value reflected as below:

March 31, 2023	December 31, 2022	March 31, 2022
$ -	**-**	**10,106,518**

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

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
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	March 31, 2022
Current assets	$ 14,694,959
Non-current assets	52,146,789
Current liabilities	(32,782,377)
Non-current liabilities	(27,941,224)
Net assets	**$ 6,118,147**
Net assets attributable to non-controlling interests	**$ 670,029**
Net assets attributable to investee	**$ 5,448,118**

	For the three months ended March 31, 2022
Operating revenue	**$ 20,993,529**
Net income	$ 183,078
Other comprehensive income	(11,633)
Total comprehensive income	**$ 171,445**
Comprehensive income attributable to non-controlling interests	**$ 12,682**
Comprehensive income attributable to investee	**$ 158,763**
Shares of net assets attributable to investee on January 1	$ 1,424,230
Comprehensive income attributable to the Group	35,671
subtotal	1,459,901
Add: investment property	20,000
Add: trademark	129,713
Add: goodwill	1,457,345
Book value of net equity of associates attributable to the Group on March 31	**$ 3,066,959**

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 $7,986,979 thousand, based on a book value of $2,648,969 thousand on the same day. The Group 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 22.47% 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 $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 $422,015 thousand and recognized a foreign exchange difference of $1,978 thousand, with a recognized gain on disposal of investments of $885,583 thousand. The total disposal gain from the aforementioned transaction was $6,211,072 thousand, please refer to Note 6 (w) of the consolidated financial statements for the year ended December 31, 2022 for further information.

(Continued)

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Carry amounts of individually insignificant associates' equity	**$ 315,445**	**304,201**	**297,287**

	For the three months ended March 31	
	2023	2022
Attributable to the Group:		
Net gain	$ 11,389	16,696
Other comprehensive income (loss)	-	-
Comprehensive income	**$ 11,389**	**16,696**

(iii) Pledge to secure

As of March 31, 2022 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.

(iv) Except for TAIWAN FAMILYMART CO., LTD. , investments were accounted for using the equity method, and the share of profit or loss and other comprehensive income of those investments was calculated based on the financial statements that have not been reviewed.

(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 March 31, 2023 and 2022 were as follows:

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2023	$ 1,177,509	967,828	1,268,052	111,817	177,358	62,990	3,765,554
Additions	-	861	2,236	335	35,395	10,793	49,620
Disposals	-	(727)	(2,540)	(4,681)	(99)	-	(8,047)
Transfer in	-	9,356	12,875	1,820	-	-	24,051
Transfer out	-	-	-	-	-	(20,603)	(20,603)
Effect of movement in exchange rate	-	454	884	32	46	-	1,416
Balance on March 31, 2023	**$ 1,177,509**	**977,772**	**1,281,507**	**109,323**	**212,700**	**53,180**	**3,811,991**

(Continued)

	Land	Buildings	Machinery equipment	Transportation equipment	Other facilities	Construction in progress	Total
Balance on January 1, 2022	$ 1,151,899	961,734	1,099,225	115,970	120,510	234,028	3,683,366
Additions	-	-	3,514	-	1,364	13,058	17,936
Disposals	-	-	-	(1,069)	(259)	-	(1,328)
Transfer in	-	-	4,701	-	-	-	4,701
Transfer out	-	-	-	-	-	(4,701)	(4,701)
Effect of movement in exchange rate	-	5,390	10,622	394	558	-	16,964
Balance on March 31, 2022	**$ 1,151,899**	**967,124**	**1,118,062**	**115,295**	**122,173**	**242,385**	**3,716,938**
Depreciation and impairment loss:							
Balance on January 1, 2023	$ -	733,218	866,180	73,827	103,589	-	1,776,814
Depreciation for the period	-	7,248	17,626	2,448	5,069	-	32,391
Disposals	-	(727)	(2,540)	(3,632)	(99)	-	(6,998)
Effect of movement in exchange rate	-	336	775	24	45	-	1,180
Balance on March 31, 2023	**$ -**	**740,075**	**882,041**	**72,667**	**108,604**	**-**	**1,803,387**
Balance on January 1, 2022	$ -	703,756	868,460	68,771	95,081	-	1,736,068
Depreciation for the period	-	6,931	11,863	2,758	1,838	-	23,390
Disposals	-	-	-	(924)	(259)	-	(1,183)
Effect of movement in exchange rate	-	3,849	9,176	356	534	-	13,915
Balance on March 31, 2022	**$ -**	**714,536**	**889,499**	**70,961**	**97,194**	**-**	**1,772,190**
Carrying amounts:							
Balance on January 1, 2023	**$ 1,177,509**	**234,610**	**401,872**	**37,990**	**73,769**	**62,990**	**1,988,740**
Balance on March 31, 2023	**$ 1,177,509**	**237,697**	**399,466**	**36,656**	**104,096**	**53,180**	**2,008,604**
Balance on January 1, 2022	**$ 1,151,899**	**257,978**	**230,765**	**47,199**	**25,429**	**234,028**	**1,947,298**
Balance on March 31, 2022	**$ 1,151,899**	**252,588**	**228,563**	**44,334**	**24,979**	**242,385**	**1,944,748**

(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 $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 March 31, 2023, December 31, 2022 and March 31, 2022, 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, 2023	$ 22,068	11,387	33,455
Effect of movement in exchange rate	74	-	74
Balance on March 31, 2023	**$ 22,142**	**11,387**	**33,529**

(Continued)

		Land	Buildings	Total
Balance on January 1, 2022	$	21,683	10,470	32,153
Additions		-	380	380
Effect of movement in exchange rate		857	-	857
Balance on March 31, 2022	**$**	**22,540**	**10,850**	**33,390**
Accumulated depreciation:				
Balance on January 1, 2023	$	11,332	9,113	20,445
Depreciation for the period		112	638	750
Effect of movement in exchange rate		36	-	36
Balance on March 31, 2023	**$**	**11,480**	**9,751**	**21,231**
Balance on January 1, 2022	$	10,695	6,962	17,657
Depreciation for the period		112	746	858
Effect of movement in exchange rate		425	-	425
Balance on March 31, 2022	**$**	**11,232**	**7,708**	**18,940**
Carrying amounts:				
Balance on March 31, 2023	**$**	**10,662**	**1,636**	**12,298**
Balance on March 31, 2022	**$**	**11,308**	**3,142**	**14,450**

As of March 31, 2023 and 2022, 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
Carrying amounts:				
Balance on January 1, 2023	**$**	**566,062**	**47,098**	**613,160**
Balance on March 31, 2023	**$**	**566,062**	**46,655**	**612,717**
Balance on January 1, 2022	**$**	**566,062**	**48,838**	**614,900**
Balance on March 31, 2022	**$**	**566,062**	**48,398**	**614,460**

(Continued)

(i) There were no significant additions, disposal, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2023 and 2022. Information on depreciation for the period is discussed in Note 12. Please refer to Note 6(j) of the 2022 annual consolidated financial statements for other related information.

(ii) The fair value of investment property was not significantly different from those disclosed in Note 6(j) of the annual consolidated financial statements for the year ended December 31, 2022.

(iii) As of March 31, 2023, December 31, 2022 and March 31, 2022, the investment properties were not pledged as collateral.

(k) Short-term borrowings

	March 31, 2023	December 31, 2022	March 31, 2022
Letter of credit	$ 33,478	409,490	750,499
Unsecured bank loans	-	360,000	380,000
Total	**$ 33,478**	**769,490**	**1,130,499**
Unused credit lines	**$ 2,924,351**	**2,748,478**	**2,713,570**
Interest rates	**5.9%~5.94%**	**1.675%~6.13%**	**0.58%~1.59%**

For the three months ended March 31, 2023 and 2022, the Group obtained from short-term borrowings amounting to $793,646 thousand and $1,284,960 thousand, the repayment amounting to $1,529,658 thousand and $670,773 thousand, respectively.

Please refer to Note 6(x) for details on financial risk.

(l) Short-term notes and bills

The short-term notes and bills payable were summarized as follows:

	March 31, 2023			
	Guarantee or acceptance institution	Range of interest rates (%)	Amount	Unused credit lines
Commercial paper payable	Ta Ching Bills Finance Corporation, China Bills Finance Corporation	2.03%~2.18%	**$ 20,000**	**1,080,000**

	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**

(Continued)

	March 31, 2022			
	Guarantee or acceptance institution	Range of interest rates (%)	Amount	Unused credit lines
Commercial paper payable	China Bills Finance Corporation, Taiwan Cooperative Bills Finance Corporation, Ta Ching Bills Finance Corporation	0.87%~1.30%	**$ 120,000**	**1,070,000**

For the three months ended March 31, 2023 and 2022, the Group obtained from short-term notes and bills amounting to $30,000 thousand and $255,000 thousand, the repayment amounting to $380,000 thousand and $655,000 thousand, respectively. As of March 31, 2023 and 2022, the Group did not pledged assets to provide collateral for commercial paper payable.

Please refer to Note 6(x) for details on financial risk.

(m) Account payable

	March 31, 2023	December 31, 2022	March 31, 2022
Payables to suppliers	**$ 566,011**	**615,996**	**602,216**

(n) Long-term borrowings

	March 31, 2023			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1.64%	2023	$ 220,000
Less: Current portion				(220,000)
Total				**$ -**
Unused credit line				**$ 1,180,000**

	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**

	March 31, 2022			
	Currency	Interest rate	Year due	Amount
Secured bank loans	NTD	1%~1.03%	2022~2023	$ 700,000
Unsecured bank loans	NTD	1.26%	2024	300,000
Less: Current portion				(80,000)
Total				**$ 920,000**
Unused credit line				**$ 800,000**

(Continued)

(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.

(iii) For the three months ended March 31, 2023 and 2022, the Group obtained from long-term borrowings both amounting to $0, the repayment amounting to $350,000 thousand and $50,000 thousand, respectively.

(o) Lease liabilities

The Group's lease liabilities were as follows：

	March 31, 2023	December 31, 2022	March 31, 2022
Current	$ 1,221	1,718	2,618
Non-current	$ 426	566	474

Please refer to Note 6(x) for maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31	
	2023	2022
Interest on lease liabilities	$ 8	12
Expenses relating to short-term leases	$ 111	129
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	$ 8	31

The amounts recognized in the statement of cash flows by the Group were as follows:

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	$ 764	935

(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.

(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

There were no significant changes in operating lease for the three months ended March 31, 2023 and 2022. Please refer to Note 6(p) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

(q) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or no other material onetime events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

The expenses recognized in profit or loss for the Group are as follows:

	For the three Months Ended March 31	
	2023	2022
Operating cost	$ (98)	115
Selling expenses	(1)	63
Administration expenses	68	124
Total	**$ (31)**	**302**

(ii) Defined contribution plans

For the three months ended March 31, 2023 and 2022, the Group' s employee benefits retirement expenses amounted to $6,002 thousand and $5,576 thousand, respectively.

(r) Income tax

Tax expense in the interim financial statements is measured at net income multiplied by management's best estimation on year end effective tax rate.

(i) The income tax expenses were as follows:

	For the three months ended March 31	
	2023	2022
Current income tax expense		
Current period incurred	$ -	16,500
Income tax expense from continuing operations	**$ -**	**16,500**

(ii) Status of approval of income tax

Company	Year
The Company	2021
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	2021
TAIWAN NIKOMART CO., LTD.	2021
CHUANG SHIN TRAFFIC CO., LTD.	2021
TAISUN YUAN CO., LTD.	2021

(s) Share capital and other equity

As of March 31, 2023, December 31, 2022 and March 31, 2022, 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:

	March 31, 2023	December 31, 2022	March 31, 2022
Treasury shares transactions	$ 71,496	71,496	71,496
Changes in equity of associates accounted for using equity method	17	17	17
Surplus from issuance of ordinary shares	915,977	915,977	915,977
Surplus from issuance of ordinary shares-employee stock options	4,132	4,132	4,132
Expired employee stock options	1,561	1,561	1,561
Others	13,559	13,559	13,559
	$ 1,006,742	**1,006,742**	**1,006,742**

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 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 $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.

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 March 31, 2023, December 31, 2022, and March 31, 2022, 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.

(Continued)

3) Earnings distribution

The amounts of cash dividends of appropriations of earnings for 2022 and 2021 had been approved in the Board of Directors' meetings on May 5, 2023 and March 25, 2022, respectively. These earnings were appropriated as follows:

	2022	2021
Common stock dividends per share		
Cash	$ 1,999,996	499,999
Dividends per share	$ 4.0	1.0

For information on earnings distribution, which was approved during the shareholders' meeting, please visit the public information observatory for further information and refer to Note 11 (c).

There will be no earnings distribution for the first quarter of the year based on the resolution approved during the Board meeting held on May 5, 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.

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
For the three months ended March 31, 2023				
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**

Subsidiaries	Beginning shares	Add	Less	Ending shares
For the three months ended March 31, 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**

(Continued)

	March 31, 2023	December 31, 2022	March 31, 2022
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	$ 154,637	154,637	154,637
TAIWAN NIKOMART CO., LTD.	44,880	44,880	44,880
CHUANG SHIN TRAFFIC CO., LTD.	4,359	4,359	4,359
	$ 203,876	**203,876**	**203,876**

The stock prices of the Company as of March 31, 2023, December 31, 2022 and March 31, 2022, were $28.90, $32.55 and $28.00 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, 2023	$ (9,371)	37,576	28,205
Exchange differences on foreign operation	2	-	2
Unrealized gain from financial assets measured at fair value through other comprehensive income	-	104,978	104,978
Balance on March 31, 2023	**$ (9,369)**	**142,554**	**133,185**
Balance on January 1, 2022	$ (34,553)	(71,400)	(105,953)
Exchange differences on foreign operation	9,185	-	9,185
Unrealized loss from financial assets measured at fair value through other comprehensive income	-	(1,703)	(1,703)
Changes in other comprehensive income (loss) of associates accounted for using equity methods	-	(2,613)	(2,613)
Disposal of investments in equity instruments designated at fair value through other comprehensive income by associates accounted for using equity method	-	1,433	1,433
Balance on March 31, 2022	**$ (25,368)**	**(74,283)**	**(99,651)**

(t) Earnings per share

The Group's basic earnings per share and diluted earnings for per share were calculated as follows:

	For the three months ended March 31	
	2023	2022
Basic earnings per share		
(Loss) profit from continuing operation attributable to the Company	**$ (69,949)**	**140,116**
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**

(Continued)

	For the three months ended March 31	
	2023	2022
Earnings per share	$ (0.14)	0.29
Diluted earnings per share		
(Loss) profit from continuing operation attributable to the Company (after adjusting the effect of diluted ordinary shares)	$ (69,949)	140,116
Adjusted weighted-average number of ordinary shares	486,393	486,393
The impact of employee stock compensation	9,168	1,452
Adjusted weighted-average number of ordinary shares (after adjusting the effect of diluted ordinary shares)	495,561	487,845
Earnings per share	$ (0.14)	0.29

Note: For the three months ended March 31, 2023, the Group had a net loss. The potential common stock had an anti-dilutive effect.

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31,2023				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 1,485,384	-	168,179	-	1,653,563
Bulk materials and aquafeeds	-	896,612	-	-	896,612
Service revenue	-	-	-	96,391	96,391
Rental revenue from investment properties	-	-	-	3,241	3,241
	$ 1,485,384	896,612	168,179	99,632	2,649,807

	For the three months ended March 31,2022				
	Consumption division	Commodity division	Foreign division	Other	Total
Main product/service					
Consumer food	$ 1,441,640	-	149,278	-	1,590,918
Bulk materials and aquafeeds	-	878,170	-	-	878,170
Service revenue	-	-	-	101,451	101,451
Rental revenue from investment properties	-	-	-	3,038	3,038
	$ 1,441,640	878,170	149,278	104,489	2,573,577

(Continued)

(ii) Contract balances

		March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	$	113,714	164,053	108,272
Accounts receivable		780,772	869,424	787,407
Accounts receivable-related parties		407,265	487,544	412,693
Overdue receivable		11,394	11,452	11,387
Less: loss allowance		(50,615)	(49,618)	(43,547)
Total	**$**	**1,262,530**	**1,482,855**	**1,276,212**

		March 31, 2023	December 31, 2022	March 31, 2022
Contract liabilities-sales	**$**	**36,426**	**53,777**	**48,444**

For details on notes receivable, accounts receivable and loss allowance, please refer to Note 6(d).

The amount of revenue recognized for the three months ended March 31, 2023 and 2022, which were included in the contract liabilities balance at the beginning of the period, were $32,769 thousand and $25,098 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 three months ended March 31, 2023, the company incurred a loss, and there is no need to estimate the employee and director remuneration. For the three months ended March 31, 2022, remuneration of employees of $8,605 thousand, and remuneration of directors of $6,884 thousand, 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 ended March 31, 2022, 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.

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. 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 three months ended March 31	
	2023	2022
Rental revenue	$ 946	1,017
Dividend income	154	185
Foreign exchange gains	16,605	6,386
Gains on disposal of property, plant and equipment	447	476
Gains (losses) on financial assets at FVTPL	3,232	(2,618)
Delivery service income	2,224	2,129
Other gains and losses	6,508	2,145
	$ 30,116	**9,720**

(ii) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31	
	2023	2022
Interest expense		
Bank loans	$ 6,140	5,511
Lease liability	8	12
	$ 6,148	**5,523**

(iii) Interest revenue

The details of interest revenue were as follows:

	For the three months ended March 31	
	2023	2022
Bank deposits	$ 2,056	1,069
Others	246	48
	$ 2,302	**1,117**

(x) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For related information, please refer to Note 6(x) of the consolidated financial statements for the year ended December 31, 2022.

(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 March 31, 2023, December 31, 2022 and March 31, 2022, the Group reviewed the concentrations of credit risk arising from its biggest customer-CENTRAL UNION OIL CORP., and it was 24%、26% and 25%, 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 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
March 31, 2023						
Non-derivative financial liabilities						
Lease liabilities	$ 1,647	1,665	950	286	429	-
Unsecured bank loans (USD)	33,478	34,469	34,469	-	-	-
Secured bank loans (NTD)	220,000	223,608	1,804	221,804	-	-
Short-term notes and bills payable	20,000	20,000	20,000	-	-	-
Non-interest bearing liabilities	1,370,008	1,370,008	1,370,008	-	-	-
	$ 1,645,133	**1,649,750**	**1,427,231**	**222,090**	**429**	**-**

(Continued)

	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**	**-**
March 31, 2022						
Non-derivative financial liabilities						
Lease liabilities	$ 3,092	3,357	1,591	1,248	518	-
Unsecured bank loans (NTD)	680,000	693,517	384,074	1,889	3,777	303,777
Unsecured bank loans (USD)	750,499	754,575	754,575	-	-	-
Secured bank loans (NTD)	700,000	707,933	83,213	3,147	621,573	-
Short-term notes and bills payable	120,000	120,000	120,000	-	-	-
Non-interest bearing liabilities	984,886	984,886	984,886	-	-	-
	$ 3,238,477	**3,264,268**	**2,328,339**	**6,284**	**625,868**	**303,777**

The Group 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 Group's significant exposure to foreign currency risk is as follows:

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD : NTD	$ 6,792	30.454	205,886	6,101	30.708	188,260	41,341	28.622	1,178,877
JPY : NTD	59,670	0.2288	13,652	51,170	0.232	11,892	35,586	0.235	8,373
CNY : NTD	-	-	-	5,088	4.418	22,479	5,036	4.512	22,723
CNY : USD	6,000	0.146	26,592	13,000	0.144	57,428	13,000	0.158	58,659
Financial liabilities									
Monetary items									
USD : NTD	$ 1,099	30.454	33,478	13,335	30.708	409,490	26,221	28.622	750,499

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 March 31, 2023 and 2022 would have increased (decreased) the pre-tax net income for the three months ended March 31, 2023 and 2022 by $1,701 thousand and $4,145 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 three months ended March 31, 2023 and 2022, the foreign exchange (loss) gain (including realized and unrealized portions) amounted to $16,605 thousand and $6,386 thousand, respectively.

(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		
	March 31, 2023	December 31, 2022	March 31, 2022
Fixed rate instruments:			
Financial assets	$ 76,941	70,450	24,382
Financial liabilities	20,000	370,000	120,000
	$ 56,941	**(299,550)**	**(95,618)**
Variable rate instruments:			
Financial assets	$ 7,385,130	8,419,987	1,996,316
Financial liabilities	253,478	1,339,490	2,130,499
	$ 7,131,652	**7,080,497**	**(134,183)**

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 $7,132 thousand and $134 thousand for the three months ended March 31, 2023 and 2022, 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.

(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 three months ended March 31			
	2023		2022	
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%	$ 65,106	3,944	4,774	3,513
Decrease 5%	(65,106)	(3,944)	(4,774)	(3,513)

(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:

	March 31, 2023				
		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	$ 59,086	59,086	-	-	59,086
Beneficiary Certificate-Open-end Funds	39,512	39,512	-	-	39,512
Subtotal	98,598	98,598	-	-	98,598
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 1,608,404	1,608,404	-	-	1,608,404
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Shares of stock unlisted on foreign markets	18,096	-	-	18,096	18,096
Subtotal	1,627,655	1,608,404	-	19,251	1,627,655
Financial assets at amortized cost					
Cash and cash equivalents	$ 7,390,973	-	-	-	-
Notes and accounts receivables (including related parties)	1,262,530	-	-	-	-
Other receivables (including related parties)	9,813	-	-	-	-
Other financial asset-current	6,968	-	-	-	-
Other financial asset-non current	131,064	-	-	-	-
Subtotal	8,801,348	-	-	-	-
Total	**$ 10,527,601**	**1,707,002**	**-**	**19,251**	**1,726,253**

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2023				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short term borrowings	$ 33,478	-	-	-	-
Short term notes and bills payable	20,000	-	-	-	-
Notes and accounts payable (including related parties)	572,799	-	-	-	-
Other payables (including related parties)	790,479	-	-	-	-
lease liabilities (including non-current)	1,647	-	-	-	-
Long term borrowings (including current portion)	220,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	6,730	-	-	-	-
Subtotal	1,645,133	-	-	-	-
Total	**$ 1,645,133**	**-**	**-**	**-**	**-**

	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 account 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**

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
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	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**	**-**	**-**	**-**	**-**

	March 31, 2022				
		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	$ 1,918	-	1,918	-	1,918
Non derivative financial assets					
Listed Stocks	56,824	56,824	-	-	56,824
Beneficiary Certificate-Open-end Funds	30,995	30,995	-	-	30,995
Subtotal	89,737	87,819	1,918	-	89,737
Financial assets at fair value through other comprehensive income					
Shares of stock listed on domestic markets	$ 106,612	106,612	-	-	106,612
Shares of stock unlisted on domestic markets	1,155	-	-	1,155	1,155
Shares of stock unlisted on foreign markets	11,594	-	-	11,594	11,594
Subtotal	119,361	106,612	-	12,749	119,361
Financial assets at amortized cost					
Cash and cash equivalents	$ 1,653,188	-	-	-	-
Notes and accounts receivable (including related parties)	1,276,212	-	-	-	-
Other receivables (including related parties)	13,833	-	-	-	-
Other financial asset-current	384,479	-	-	-	-
Other financial asset-non current	20,575	-	-	-	-
Subtotal	3,348,287	-	-	-	-
Total	**$ 3,557,385**	**194,431**	**1,918**	**12,749**	**209,098**

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liability at fair value through profit or loss					
Derivative financial liabilities					
Foreign exchange option	$ 11	-	11	-	11
Financial liabilities at amortized cost					
Short term borrowings	$ 1,130,499	-	-	-	-
Short term notes and bills payable	120,000	-	-	-	-
Notes and accounts payable (including related parties)	603,161	-	-	-	-
Other payables (including related parties)	861,471	-	-	-	-
lease liabilities (including non-current)	3,092	-	-	-	-
Long term borrowings	1,000,000	-	-	-	-
Deposits received (recognized in the balance sheet as other non-current liabilities, others)	6,645	-	-	-	-
Subtotal	3,724,868	-	-	-	-
Total	**$ 3,724,879**	**-**	**11**	**-**	**11**

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.

(Continued)

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.

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 three months ended March 31, 2023 and 2022. In addition, there have been no transfers from each level for the three months ended March 31, 2023 and 2022.

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.

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 March 31, 2023 and December 31, 2022 were 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 March 31, 2023, December 31, 2022 and March 31, 2022 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 March 31, 2023, December 31, 2022 and March 31, 2022 were 25%)	· The estimated fair value would increase (decrease) if the market illiquidity discount were lower (higher)

(Continued)

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
March 31, 2023						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	193	(193)
December 31, 2022						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	194	(194)
March 31, 2022						
Financial assets at fair value through other comprehensive income						
Equity investments without an active market	Market illiquidity discount	1%	$ -	-	127	(127)

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.

(y) Financial risk management

There were no significant changes in the Group' s financial risk management and policies as disclosed in Note 6(y) of the consolidated financial statements for the year ended December 31, 2022.

(z) Capital management

The Group's objectives for managing capital are to safeguard its capacity to continue to operate, to continue to provide a return on 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 shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell its assets to settle any liabilities.

	March 31, 2023	December 31, 2022	March 31, 2022
Total liabilities	$ 2,410,217	4,086,745	4,234,876
Less: cash and cash equivalents	(7,390,973)	(8,504,412)	(1,653,188)
Net debt	(4,980,756)	(4,417,667)	2,581,688
Total capital	12,602,946	12,567,859	6,649,707
Adjusted capital	**$ 7,622,190**	**8,150,192**	**9,231,395**
Debt to equity ratio	**(65.35)%**	**(54.20)%**	**27.97%**

Note: The disposal of long-term equity in the fourth quarter of year 2022 and the repayment of long-term borrowings in the first quarter of year 2023 resulted in a decrease in the debt-to-capital ratio compared to the same period last year.

(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 three months ended March 31, 2023 and 2022 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)	Substantive related parties (other related parties)
TAIWAN DISTRIBUTION CENTER CO., LTD. (Note)	〃
RE-YI DISTRIBUTION SERVICE CO., LTD. (Note)	〃

Note: Change from associates to other related parties effective December 5, 2022.

(b) Significant transactions with related parties

(i) Sale of Goods to Related Parties

	For the three months ended March 31	
	2023	2022
Associates:		
CENTRAL UNION OIL CORP.	$ 710,198	648,636
Other related parties	138,791	135,422
	$ 848,989	**784,058**

(Continued)

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 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 three months ended March 31	
	2023	2022
Associates－CENTRAL UNION OIL CORP.	**$ 50,823**	**66,091**

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.

(iii) Receivables from Related Parties

The receivables from related parties were as follows:

Accounts	Related party category	March 31, 2023	December 31, 2022	March 31, 2022
Account receivable	Associates －CENTRAL UNION OIL CORP.	$ 317,419	404,528	324,077
	Other related parties	89,846	83,016	88,616
		$ 407,265	**487,544**	**412,693**

(Continued)

(iv) Payables from Related Parties

The payables from related parties were as follows:

Accounts	Related party category	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	Associates	$ 3,355	4,825	28,994

(v) Other

Accounts	Related party category	March 31, 2023	December 31, 2022	March 31, 2022
Other current liabilities	Other related parties	$ 15,511	12,650	12,610

(c) Key management personnel compensation

	For the three months ended March 31	
	2023	2022
Short-term employee benefits	$ 9,089	16,170

(8) Pledged assets:

As of March 31, 2023, December 31, 2022 and March 31, 2022, the book value of pledged assets were as follows:

Pledged assets	Pledge to secure	March 31, 2023	December 31, 2022	March 31, 2022
Other current financial assets	Forward foreign exchange contract and foreign exchange options	$ 4,568	4,606	4,293
Other current financial assets	Deposit guarantee from provisional execution	2,400	900	8,100
Other current financial assets	Letter of credit-loan for material purchase	-	-	372,086
Investment using equity method	Long-term bank loans	-	-	354,379
Non-current financial assets at fair value through other comprehensive income	Long-term bank loans	1,267,300	1,189,000	-
		$ 1,274,268	1,194,506	738,858

(9) Commitments and contingencies:

(a) Unused standby letters of credit

	March 31, 2023	December 31, 2022	March 31, 2022
Unused standby letters of credit	$ 1,209,698	656,664	516,595

(b) The following are the contract price and the amount paid on fixed assets:

	March 31, 2023	December 31, 2022	March 31, 2022
Signed-contract	$ 69,239	76,339	299,410
Paid-price	$ 53,179	59,181	242,385

(c) As of March 31, 2023, December 31, 2022 and March 31, 2022, 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 $300,000 thousand.

(e) 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 $3,600,000 thousand.

(f) 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

(Continued)

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.

(10) Losses due to major disasters: None.

(11) Subsequent events:

(a) On May 5, 2023, the Company discussed the acquisition of a 40.39% equity investment in JKO FinTech Co., Ltd. during the Board meeting. The total number of shares involved in the transaction was 146,166 thousand shares, with a transaction amount of $3,600,000 thousand. The proposal was approved by four directors, while three directors abstained from participating in the discussion and resolution of the proposal

(b) On May 5, 2023, the Company discussed a project for the construction of an additional water packaging plant during the Board meeting. The total estimated cost for the project is within $1,000,000 thousand. The proposal was approved by four directors, while three directors abstained from participating in the discussion and resolution of the proposal

(c) On May 5, 2023, the Company discussed the distribution of cash dividends for the fiscal year of 2022, amounting to $4.0 per share, totaling $1,999,996 thousand, during the Board meeting. The proposal was approved by four directors, while three directors opposed the proposal.

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	For the three months ended March 31					
	2023			2022		
By function / By item	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	58,864	100,433	159,297	55,472	120,003	175,475
Labor and health insurance	7,520	9,888	17,408	6,951	9,261	16,212
Pension	2,607	3,364	5,971	2,542	3,336	5,878
Others	3,862	4,848	8,710	3,608	3,794	7,402
Depreciation	28,303	5,850	34,153	22,491	2,719	25,210
Amortization	-	262	262	11	390	401

Depreciation for the three months ended March 31, 2023 and 2022, each amounting to $129 thousand and $140 thousand, respectively, was recognized as other gains and losses.

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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	66,482	66,482	-	-	2	-	Operation Requirements	-	-	-	1,259,770	2,519,541
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	Other receivables-related party	Yes	57,617	57,617	26,592	2.5%	2	-	Operation Requirements	-	Promissory Notes	26,592	340,259	340,259

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 March 31, 2023 (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	14,510	- %	14,510	
The Company	Shin Kong Taiwan High Dividend Fund (A)	-	〃	500,000	14,515	- %	14,515	
The Company	Yuanta Global Future Telecommunication ETF	-	〃	33,000	10,487	- %	10,487	
The Company	Stock-YI JINN INDUSTRIAL CO., LTD	-	〃	2,622,600	49,306	0.87 %	49,306	
The Company	Stock- CANDO CORPORATION	-	〃	256,923	-	0.07 %	-	
The Company	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	Note 3	333,000	19,946	- %	19,946	
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	80,948	1.17 %	80,948	
The Company	Stock-TAIWAN FAMILYMART CO., LTD.	Other related parties	〃	6,836,417	1,493,757	3.06 %	1,493,757	
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	112	- %	112	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-KERRY TJ LOGISTICS CO., LIMITED	-	〃	15,524	589	- %	589	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-WUS PRINTED CIRCUIT CO., LTD.	-	〃	729	21	- %	21	

(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				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-LITE-ON TECHNOLOGY CORPORATION	-	Note 3	6,260	459	- %	459	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-MACRONIX INTERNATIONAL CO., LTD	-	〃	362	13	- %	13	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Winbond Electronics Corporation	-	〃	1,195	32	- %	32	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-SILICON INTEGRATED SYSTEMS CORP.	-	〃	2,536	48	- %	48	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-China Development Financial Holding Corporation	-	〃	56,505	709	- %	709	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Taishin Financial Holding Co., Ltd.	-	〃	107,550	1,785	- %	1,785	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-Shin Kong Financial Holding Co., Ltd.	-	〃	20,225	170	- %	170	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-CGS INTERNATIONAL, INC.	-	〃	565	14	- %	14	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Stock-TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	10,351,332	299,153	2.07 %	299,153	
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.	-	Note 2	117,700	9,780	0.04 %	9,780	
TAIWAN NIKOMART CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	Note 3	2,960,186	85,548	0.59 %	85,548	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- TAISUN ENTERPRISE CO., LTD.	Parent /Subsidiary	〃	368,524	10,650	0.07 %	10,650	
CHUANG SHIN TRAFFIC CO., LTD.	Stock-SYSGRATION LTD.	-	〃	42,451	1,968	0.03 %	1,968	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- CHUNG HSIN ELECTRIC & MACHINERY MANUFACTURING CORPORATION	-	〃	1,928	182	- %	182	
CHUANG SHIN TRAFFIC CO., LTD.	Stock- Winbond Electronics Corporation	-	〃	5,305	141	- %	141	
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	1,291	- %	1,291	
TAISUN (CAYMAN) INVESTMENT LTD.	Stock-YAMAI LIMITED	-	〃	-	18,096	3.66 %	18,096	Note 4
TAISUN YUAN CO., LTD.	Stock-FWUSOW INDUSTRY CO., LTD.	-	〃	86,000	1,849	0.03 %	1,849	
TAISUN YUAN CO., LTD.	Stock-TAIWAN FAMILYMART CO., LTD.	Other related parties	〃	20,000	4,370	0.01 %	4,370	

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.

(iv) Individual securities acquired or disposed with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(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.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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	(473,255)	(21) %	OA60	No significant difference to the general customers.	General purchases payments in 30~90 days for non-related party	507,229	40%	
The Company	CENTRAL UNION OIL CORP.	Investee Company measured by equity method	Sale	(710,198)	(31) %	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	317,419	25%	
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	TAISUN ENTERPRISE CO., LTD.	Ultimate parent Company	Purchase	473,255	96 %	OA60	No comparable client	No comparable client	(507,229)	(96)%	

(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 317,419	7.87	-	-	209,022	-
The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	Subsidiary	Account receivable 507,229	3.73	-	-	185,639	-

(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	473,255	OA60	17.86%
0	The Company	PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	1	Account receivable-related party	507,229	〃	3.38%
1	TAISUN (CAYMAN) INVESTMENT LTD.	TAISUN ENTERPRISE (ZHANG ZHOU) FOODS LTD.	1	Other receivables-related party	26,592	Half-year imputed interest repay the principal when matured	0.18%

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.

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TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Information on investees (excluding information on investees in Mainland China):

The following is the information on investees for the three months ended March 31, 2023:

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2023			Net income (losses) of investee	Share of profits/losses of investee	Note
				March 31, 2023	December 31, 2022	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 %	24,627	373	275	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 %	234,662	(3,161)	(3,159)	Note 1, 2, 3
The Company	TAISUN YUAN CO., LTD.	Taiwan	Investment management	5,000	5,000	500,000	100.00 %	16,306	-	-	
The Company	TAISUN (CAYMAN) INVESTMENT LTD.	Cayman	Investments	1,498,670	1,498,670	40,290,000	100.00 %	340,259	27,502	27,502	
The Company	CENTRAL UNION OIL CORP.	Taiwan	Manufacturing, processing and sales of bean products	204,125	204,125	20,000,000	33.33 %	315,445	34,167	11,389	Note 2
The Company	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26 %	7,876	1,528	203	Note 1
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	CHUANG SHIN TRAFFIC CO., LTD.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21 %	96,931	1,528	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 %	32,212	373	〃	Note 3
TAISUN (CAYMAN) INVESTMENT LTD.	Taisun International Ltd.	Virgin Islands	Operating oil sales	-	-	-	100.00 %	-	-	-	

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.

(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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of March 31, 2023	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.	837,485 (USD27,500)	(Note 1)	1,017,164 (USD33,400)	-	-	1,017,164 (USD33,400)	26,808	100.00%	26,808	257,131	-
Cheng Da Restaurant Investment Management (Sichuan) LTD.	Fresh bread and other food products	38,677 (USD1,270)	(Note 6)	18,881 (USD620)	-	-	18,881 (USD620)	-	3.66%	-	-	-
JIANGSU DA MAI FOODS LTD.	Fresh bread and other food products	101,351 (USD3,328)	(Note 6)	22,231 (USD730)	-	-	22,231 (USD730)	-	3.66%	-	1,344	-

(Continued)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,058,277	1,457,224	7,558,622

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 30.454 as of March 31, 2023.

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 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 for the three months ended March 31, 2023, please refer to “Information on significant transaction”.

(d) Major shareholders:

Shareholding Shareholder’s Name	Shares	Percentage
LONG BON INTERNATIONAL CO., LTD.	187,381,000	37.47 %
EVERWIN INVESTMENT CO., LTD.	58,729,000	11.65 %
JUN YUAN INVESTMENT CO., LTD.	28,754,000	5.75 %

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

The Group's operating segment information and reconciliation are as follows:

For the Three Months Ended March 31, 2023	Consumption division	Commodity division	Foreign division	Other	Adjustment and eliminations	Total
Total revenue	$ 1,485,384	896,612	168,179	99,632	-	2,649,807
Reportable segment profit or loss	$ (86,382)	7,423	27,502	(18,448)	-	(69,905)
For the Three Months Ended March 31, 2022						
Total revenue	$ 1,441,747	878,063	149,278	104,489	-	2,573,577
Reportable segment profit or loss	$ 70,165	52,969	15,633	17,850	-	156,617

Note : Since the measured amount of assets of the Group was not provided to the operating decision maker, it was disclosed as zero.