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Taisun Enterprise Co., Ltd.

2023 Annual Report

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

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

I. Company Spokesperson
Name: Li Shu-Huei
Title: Vice General Manager
Telephone: (02) 2506–4152
Email: taisunir@taisun.com.tw
Acting spokesperson
Name: Jessie Peng
Title: Assistant General Manager
Telephone: (02) 2506–4152
Email address: jessie@taisun.com.tw

II. The address and telephone number of the company's headquarters, branch offices, and factories
Head Office Address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Feed factory address: No.8, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8744981, 8745002
Oil factory address: No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Food factory address: No.788, Sec. 1, Yuanji Rd., Tianzhong Township, Changhua County 520, Taiwan
Telephone: (04) 8742211 (ext. 10)
Address of General Management Office: 10F., No.99, Sec. 2, Chang-An E. Rd., Taipei City 104, Taiwan
Telephone: (02) 25064152 (ext. 13)

III. Name, address, e-mail address, and telephone number of the agency handling shares transfer
Name: Transfer Agency Department of Yuanta Securities Co., Ltd.
Address: B1, No. 210, Chengde Road Section 3, Taipei City
URL: http://www.yuanta.com.tw
Telephone: (02) 2586–5859

IV. Names of the certified public accountants who duly audited the annual financial report for the most recent fiscal year, and the name, address and telephone number of the accounting firm to which they belong
Firm name: Ernst & Young
CPA name: Lin Su-Wen, Yang Chi-Hui
Address: 9F., No. 333, Sec. 1, Keelung Rd., Taipei City
Website: http://www.ey.com/taiwan
Tel: (02) 2757– 8888

V. The Company has no overseas listed trading of securities

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

Contents

One. Report to Shareholders 001

Two. Company Profile

I. Date of Establishment 005
II. Company History 005

Three. Corporate Governance Report

I. Organization System 019
II. Information on directors, supervisors, general managers, vice general managers, associates, supervisors of various departments and branches 021
III. Remuneration paid to directors, supervisors, general manager and vice general manager(s) in the most recent year 036
IV. Corporate governance operations 041
V. Information on fees for CPAs 091
VI. Information on replacement of CPAs 092
VII. Where the company's Chairman, General Manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm 092
VIII. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent year and until the date of publication of the annual report: 093
IX. Information on the related party relationship among the ten largest shareholders 096
X. Number of the shares in the same investees held by the Company and its directors, supervisors, managers and the enterprises directly or indirectly controlled by the Company, and calculation of the combined shareholding ratio 097

Four. Fundraising Overview

I. Capital and Shares 098
II. Issuance of Corporate Bonds 103
III. Issuance of Preferred Stock 104
IV. Issuance of Overseas Depository Receipts 104
V. Employee stock option certificates 104
VI. Circumstances for restricting employee rights to new shares 104
VII. Mergers and acquisitions or the transfer of shares of other companies to issue new shares 104
VIII. Plan for capital investment and utilization 104

Five. Operations Overview

I. Business content 105
II. Market, production, and sales overview. 112
III. Data on employees in the most recent two years and as of the publication date of the annual report 122
IV. Environmental protection expenditure data 122
V. Labor relations 124
VI. Cyber Security management 129
VII. Important contracts 132

Six. Financial Overview

I. Condensed balance sheet and consolidated income statement for the most recent five years 133
II. Financial analysis for the last five years 136
III. Audit Committee Review Report of the most recent financial reports 138
IV. The most recent annual consolidated financial reports and accountant's audit report 139
V. The most recent annual parent company only financial reports and independent auditors' report 139
VI. For the Company and its affiliated companies in the most recent year and as of the date of publication of the annual report, if any financial difficulties have occurred, the impact on the Company's financial status. 139

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

I. Review and analysis of financial position 140
II. Review and analysis of financial performance 142
III. Cash flow review and analysis 144
IV. The impact of major capital expenditures on financial operations in recent years 145
V. The reinvestment policy in the most recent year, the main reason for its profit or loss, and improvement plan and investment plan for the coming year 145
VI. Risk analysis and assessment 145
VII. Other important matters 148

Eigtht.Special Items of Record

I. Information on Affiliated Companies 149
II. The status of private placements of securities in the most recent year and as of the printing date of the annual report 153
III. Subsidiary holdings or disposals of the Company's stock in the most recent year and as of the printing date of the annual report 153
IV. Other necessary supplementary explanations 153
V. During the most recent fiscal year or the current fiscal year up to the date of printing of annual report, if any occurrence of any event which has a material impact on shareholders' equity or securities prices stipulated by Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act 153

Report to Shareholders

Dear shareholders, ladies, gentlemen, and distinguished guests. Thank you for taking the time out of your busy schedules to attend Taisun's 2024 Shareholders' Meeting.

The economic data in 2023 shows that the inflation rate is on a downward trend, and the cost of bulk raw materials is gradually decreasing. However, the high financing cost of rising interest rates still weakens economic activities and adds resistance to the recovery of global economics and trade after the pandemic. Despite the difficult operating environment, we still showed strong ambition, recovered our gross profit margin, and continued to grow our sales steadily.

For bulk oils and fats, the international raw material costs have gradually declined. Although the sales volume has dropped slightly from last year, the overall gross profit increased from last year, adding momentum to the Company's profit.

In terms of food, in the face of inflation and competition in the consumer market, the turnover has grown for four consecutive years, and although some costs have slightly declined, the high cost environment persisted In the future, the Company will continue to develop new products that are in line with ESG and actively develop high-margin products.

In terms of livestock production, the aquaculture business is facing the decline of the overall aquatic product market. Although the raw materials for aquatic feed are gradually declining, the sales volume is reduced, which can greatly reduce the benefits of falling costs. In the future, we will strive to increase sales and explore different markets.

For the business in Mainland China, the recovery of China's economy after the pandemic was not as good as expected. The Company still responded to the difficult environment and adjusted its market strategy spontaneously, in order to grow and create profits year by year.

Despite the challenges and pressures of the external business environment, food safety and compliance with ESG standards are the Company's core competitive values. Our management team will do its utmost to improve corporate governance and create profits in the industry, so that the Company is run sustainably.

I. 2023 Operating Results:

(I) The results of the business plan:

The net consolidated operating income of the Company was NT$11,228,425 thousand, an increase of NT$158,985 thousand from 2022; the net operating loss was NT$(62,566) thousand, an increase of NT$329,816 thousand from 2022; the net loss after tax was NT$80,635 thousand, a decrease of NT$5,999,207 thousand from the previous year.

(II) Budget Execution:

The Company did not disclose financial forecast and data for 2023. The overall revenue has grown, and the gross profit may not have been reached due to the impact of the international price surge of raw materials.

(III) Analysis of financial income and expenditure:

Unit: NTD thousand

Item	2023	2022
Operating revenue	11,228,425	11,069,440
Operating costs	9,672,891	9,623,851
Operating margin	1,555,534	1,445,589
Operating expenses	1,618,100	1,837,971
Net operating income (loss)	(62,566)	(392,382)
Non-operating revenue and expenditures:	185,458	6,603,532

Profit before tax	122,892	6,211,150
Tax income (expense)	(203,527)	(292,578)
Net profit (loss) for the current period	(80,635)	5,918,572

(IV) Analysis of profitability:

Item	2023	2022
Gross profit margin	13.85%	13.06%
Net profit rate	(0.72)%	53.47%
Return on equity	(0.66)%	60.55%
Earnings per share	NT$ (0.17)	NT$12.17

(V) Research and development status:

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

II. Summary of 2024 Business Plan:

(I) Business Policy

1. Develop ESG-compliant products for the Company's sustainable operation.
2. Invest in automated warehousing equipment and update the information flow of the management platform.
3. Uphold food safety and achieve the goal of net zero.

(II) Estimated sales volume: Based on the current production capacity, future market changes, and performance exploration strategies

1. The oil business includes oil products and soybean powder and the sales volume is expected to be 230,000 tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 19.7 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 16,000 tons.

(III) Important production and marketing policies

1. 1. Production policy:
   (1) In order to comply with international trends and customer requirements, the Company's management systems and products have been certified. In addition, we have also obtained SQF9.0 certification, strengthened source management and rigorous food safety quality standards, and has been certified by GFSI, which is in line with international standards and drives the company's product sales worldwide.
   (2) Production line equipment was upgraded to improve process efficiency, and the TAF laboratory ISO/IEC 17025 certification was obtained to enhance the laboratory's testing professional capabilities.
   (3) Taisun Livestock Farm has won the Excellence Meat Award for four consecutive years, and has obtained Carrefour CQL certification. Taisun Livestock Farm meat is sold in the Carrefour free brand market.
2. Sales policy:

(1) In response to consumer trends, we continue to research healthy cooking oil and maintain the Company's leading position in the edible oil market.

(2) We proactively develop diversified markets for feed extruded ingredients and products, and focus on plastic reduction issues for environmental sustainability. For example: Plastic packaging is reduced for raw materials and switch to bulk materials.

(3) We continue to expand Taisun's influence in the water market and manage dim sum brands for young people. In the catering market, we are expanding Sunkist and Kaoliang liquor of Matsu Distillery distribution channels.

(4) We will continue to adjust the product structure, enhance the development and sales of high value-added products, strengthen brand image and power, while actively deploying and integrating resources to maximize benefits and improve profitability.

III. Future development strategies of the Company

(I) Adhere to food safety and create a net zero goal: Food safety and ESG compliance are the Company's core competitiveness and sustainable management has become a common global goal. Enterprises cannot just blindly pursue profitability but they must also give back to society. Only in this way can we win the support of the public and enable our sustainable operation and growth.

(II) Develop quality partners and improve marketing channels: The Company has excellent partners in R&D, manufacturing and sales. Through horizontal and vertical resource integration and strengthening modern and traditional channels, the products are sold in an intensive sales network throughout the country, improving operating efficiency.

(III) Consumer-oriented product development and continuous improvement of quality management: We collect market-related information on an ongoing basis to analyze and judge consumer preference trends, actively develop products with potential consumer needs, and ensure product quality through rigorous management verification. By doing so, we are able to enhance consumer trust in the Company, and deepen brand loyalty, popularity, and the Company’s product strength.

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

(I) External competitive environment

We actively develop products that are in demand by consumers, enhance the high added value of products, expand market share of the brand, and introduce various management and certification systems to guard the health of consumers. At the same time, we will gradually expand the agent brands, such as: Kaoliang liquor of Matsu Distillery, Sunkist juice, etc., to enrich the diversified product attributes and improve the Company's operating niche.

(II) Regulatory environment

It is the manufacturer's responsibility to provide consumers with products that they can safely consume. In addition to complying with external laws and regulations, we have also successively obtained relevant management certifications and certifications internally. This rigorous management system and certification serve as the guarantee for the Company's product quality. The Company also continues to conduct internal/external education and training for employees and implements it in their daily work. By doing this, we ensure that consumers will feel at ease to consumers can consume with peace of mind, and enhance the trust of society and customers.

(III) Overall business environment

The inflation rate is on a downward trend, and the cost of bulk raw materials is gradually decreasing. However, the high financing cost of rising interest rates still weakens economic activities and adds resistance to the recovery of global economics and trade after the pandemic. Despite the difficult operating environment, we still showed strong ambition, recovered our gross profit margin, and continued to grow our sales steadily. In the face of the challenges of the operating environment, our management team will continue to improve corporate governance,

create profits from the core business, and ensure the sustainable operation of the Company.

This is the end of my report. I hope that all shareholders will continue to give their support and advice and I wish you good health and all the best!

Chairman: Liu Wei-Lung

Manager: Tsai Cheng-Ta

Accounting Director: Li Shu-Hui

Two. Company Profile

I. Date of establishment: October 26, 1950

Date of incorporation: October 21, 1960

II. Company History:

1986
1. Increased capital by NTD 404,122,880 to boost feed production capacity by 60 tons per hour while improving oil and fat extraction.
2. Launched Taisun Mixed Congee.

1987
1. Capital injection of NTD 36,066,940 to improve financial structure; capital surplus transfer to common stock of NTD 11,315,440; retained earnings transfer to capital of NTD 48,494,740; along with an operational rationalization merger with Yong Yu Food Industry Co., Ltd. that increased capital by NTD 100,000,000, total capital thus increased to NTD 600 million. Built a shrimp feed factory with maximum monthly output of 1,200 tons.
2. Launched Peanut Soup.

1988
1. Capital injection of NTD 51,300,000; capital surplus transfer to common stock of NTD 14,700,000; total capital increased to NTD 666 million. Added a second production line to the shrimp feed factory; Japanese-made equipment allowed maximum monthly output to reach 120 tons/day. Invested in a new production line for Taisun Mixed Congee. Purchased an additional 77,303 square meters (23,384.15 pings) of land for a second animal husbandry plant.
2. Became the first company to obtain food GMP certification.

1989
1. Capital injection of 13,400,000 shares, with each share issued at a premium of NTD 13. Retained earnings transfer to capital of NTD 60,000,000. Used to set up additional auto production lines for Taisun Grass Jelly, introduced equipment to add more capacities for the beverages like Taisun Mixed Congee, Peanut Soup, Green Bean Soup, and Green Bean Paste, and invested in the bulk warehouse for the soybean powder of the oil plant, the pig house in the Beidou livestock farm, and the pollution control facilities of the plant and farm. Concluding his long years of accomplishment, former Chairman Mr. Chan Yu-Chu was elected Honorary Chairman and continued to bear responsibility for guiding our Company behind the scenes. Former Executive Vice Chairman Mr. Chan Jen-Tao was unanimously elected as Chairman by the Board of Directors.
2. Taisun Enterprise became a listed company.

1990
1. Capital injection of 20,000,000 shares, with each share issued at a premium of NTD 36. Retained earnings transfer to capital of NTD 137,600,000. Used for expansion of automatic production lines in food factories,

	additional wastewater treatment equipment and purchase of office buildings, set up of a shipping center, additional purchases of vending machines, and investment in the logistics industry. 2. Established a new corporate identification system. 3. The Taisun Cultural Foundation was established.
1991	1. Retained earnings transfer to capital of NTD 59,880,000, and capital surplus transfer to common stock of NTD 203,592,000. To improve financial structure and enrich working capital. 2. The Taisun Cultural Foundation won the "Group Award for the Association of Great Service Achievement" from the Ministry of Education.
1992	1. Transfer of earnings to increase capital for investment of NTD 160,717,920, and capital surplus transfer to common stock of NTD 160,717,920. To enrich working capital. Issued 30 million shares of Type A registered preferred stock at a premium of NTD 20 per share to repay bank loans and build frozen food and meat processing plants. 2. Launched Bing Jeon Black Tea.
1993	1. Capital surplus transfer to common stock of NTD 124,950,470. Capital after capital increase (including preferred stock) was NTD 2,207,458,310. 2. Started selling frozen prepared foods, and also began construction on associated factories. 3. A Japanese patent was acquired for the processing technique of the Taisun Grass Jelly. 4. The oil, food, and feed plants passed ISO-9002 certification. 5. Won a National Quality Award (NQA), the highest honor in quality management. 6. Initiated indirect investment in mainland China by establishing a 100%-owned subsidiary in Singapore. 7. Teamed up with Thailand Uni Food Co., Ltd. to establish a food and beverage factory in Thailand.
1994	1. Capital surplus transfer to common stock of NTD 175,049,530. Capital after capital increase (including preferred stock) was NTD 2,382,507,840. 2. The frozen food plant started production.
1995	1. Capital surplus transfer to common stock of NTD 166,600,630. Capital after capital increase (including preferred stock) was NTD 2,549,108,740. 2. Launched Taisun Pure Water.
1996	1. Added a glass bottled beverage production line for food to produce YOGO lactic acid beverages. 2. The construction of the Kunshan and Zhangzhou plants in mainland China commenced.

1997	1. Capital surplus transfer to common stock of NTD 89,964,340. Capital after capital increase (including preferred stock) was NTD 2,639,072,810. 2. Stepped into the construction industry with first case launched in the Taisun Great Century--Special Leader District. 3. The Kunshan plant and Zhangzhou plant in mainland China were completed and started production. 4. Investment was made in Central Union Oil Corp.
1998	1. Preferred stock of NTD 300 million entirely converted to common stock. 2. Retained earnings transfer to capital of NTD 116,953,640. Capital surplus transfer to common stock of NTD 116,953,640. Capital injection of NTD 360,000,000. Capital after capital increase was NTD 3,232,980,090. 3. Taisun Fruit Water was introduced to the market. 4. Central Union Oil Corp. began mass production.
1999	1. Production technology and equipment of soft-bag beverage Capri-Sun was introduced from Germany. 2. Investment was made in FamilyMart convenience store and in Taiwan-wide logistics. 3. The Taisun Cultural Foundation again won the “Group Award for Social Education Achievement.”
2000	1. Office automation system was activated. 2. Launched the second phase of construction for a district catering to high-profile individuals. 3. Raised NTD 450,000,000 through issuance of secured corporate bonds, with funds used to improve financial structure.
2001	1. Entered the refrigerated foods market and started mass production of chilled products. 2. PET production lines were established and passed GMP certification of the Industrial Development Bureau. 3. Kenneth Chan took over as General Manager.
2002	1. Obtained GMP certification for the production line of chilled snacks.
2003	1. Launched third phase of construction with commencement of the Shoufu Special District. 2. Internal manufacturing capability was improved and additional refrigerating equipment was installed. 3. Signed a five-year, NTD 1 billion syndicated loan with E.Sun Bank to improve financial structure.
2004	1. Capital surplus transfer to common stock of NTD 129,319 thousand. Capital after capital increase was NTD 3,362,299 thousand. Additionally merged with 100%-owned subsidiary Xintai Investment Co., Ltd.,

reducing capital by NTD 199,850 thousand. After the capital reduction, the capital amount was NTD 3,162,449 thousand.

2. Launched a series of refrigerated snack products.
3. Shares of Taiwan FamilyMart Co., Ltd. were bought in continuously to have more than 20% of shareholdings and substantial influence; the valuation method was changed to the equity method.

2005

1. Capital surplus transfer to common stock of NTD 63,249 thousand. Capital after capital increase was NTD 3,225,698 thousand. Additionally merged with 100%-owned subsidiary Pintai Investment Co., Ltd., reducing capital by NTD 86,057 thousand. After the capital reduction, the capital amount was NTD 3,139,641 thousand.
2. The Fresh Grass Jelly House and newly bottled pure water were introduced to the market.
3. The modernization of traditional snacks was continued to put MIXED CONGEE – Black Glutinous Rice & Job's Tears – on the market.

2006

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

2007

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

2008

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

Taiwan Association for Food Science and Technology.

2009

1. The professional aquatic products plant in Tianzhong was officially launched for production of floating aqua feed.
2. Taisun (Herbal) Co. Ltd. was founded, and the Taisun (Herbal) Refreshing Dessert Flagship Shop was launched on Xiamen's ZhongShan Road.
3. The Taisun Cultural Foundation won the “Social Education & Public Service Award” from the Ministry of Education in 2008.
4. New oil products Omega-3 Unsaturated Healthy Oil and Vitality Nuts Health Oil won a "New Product Commendation" from the Taiwan Association for Food Science and Technology.
5. The GMP Outstanding Certificate was acquired for the packaging line of oil products.
6. The Baidou farm acquired the traceability certificate for its livestock products.
7. Taisun joined the Total Brand Management (TBM) benchmarking academy boot camp.
8. Chairman Kenneth Chan was elected as the 8th Secretary of the National Industry Council.
9. New brand Taisun Biotech launches its first "Nattokinase" product.
10. The Fresh House introduced unique large-grain products, namely Brown Sugar Grass Jelly Coconut Jelly and Mung Bean Soup With Coconut Jelly.

2010

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

2011

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

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

2012

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

Chengdu, Sichuan Province, on the mainland.

15. Launched PP-bottled Black Fungus with Longan Drink.
16. Launched a new Pearl Job's Tears snack product (CAN330ml, PP290ml).
17. The Good Oil successfully entered the olive oil market with market share of 7%.
18. Held full product marketing activities for the first time with the Asian rock group Mayday, under the banner of "Drink Taisun and watch Mayday."
19. Yutai won the "Excellent Enterprise Award" of the Ministry of Economic Affairs' Micro and Small Enterprise Highlight Project.
20. Obtained the well-known "Taisun" trademark in China.

2013

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

12. The copper chlorophyll content of the pure grape seed oil that Taisun imported from Spain was detected by the Ministry of Health and Welfare as positive. The products were removed from the shelves and recalled from consumers. They were then sealed in the plant and the sale was stopped for further determination.
13. The Taisun Cultural Foundation was praised by the Ministry of Education as the “2013 Outstanding Education Foundation.”

2014

1. Taisun Enterprise adopted a brand new corporate identity.
2. Chairman Kenneth Chan was elected as the third president of the Chinese Excellent Management Association (CEMA).
3. Taisun's Mesona Tea brand invited Jam Hsiao to act as spokesperson for the whole year.
4. Launched a Mesona Monopoly app, stepping into the mobile market for the first time by combining a monopoly game and the concept of bonus points; the app broke through 50,00 downloads in a single month.
5. Signed a contract with the Ershui Rural Association for domestic fairy grass production, making this a source of fairy grass.
6. Introduced Oracle’s PLM R&D management compliance system to strengthen autonomous management systems and align with international standards. Further joined the Source Management Information Service Platform of the Food Industry Development Association.
7. Food and oil plants acquired SQF-LEVEL3 certification. Became the first food company in Taiwan to obtain the highest level certification of the international SQF food safety standard.
8. The pig house in the Beidou farm was completed with the environment control system. It passed the Carrefour CQL certification and the pork became a Carrefour commodity under strict selection.
9. Expanded scope of cooperation with Itoen of Japan, manufacturing FamilyMart's own-brand tea drinks under Itoen's supervision.
10. Launched RT-Mart's exclusive Milk Red Bean dessert products.
11. Launched SQF certified 100% Canola Oil.
12. Launched unique, environmentally-friendly, convenient, and patented “Pure Water with Inseparable Cap."
13. Bing Jeon Guava Green Tea won the 2014 Innovative Product Appraisal Award.

2015

1. Introduced electronic invoicing system to facilitate follow-up and tracing of food and ensure food safety in the future. Established as the first food company in Central Taiwan to introduce an electronic invoicing system.
2. Introduced robotic arms to improve the working environment of the refrigeration line and save the manpower needed to work at low

temperature.

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

2016

1. The Beidou farm passed and was certified by Carrefour CQL.
2. An interim shareholders' meeting re-elected the full slate of directors, and appointed Chan Yi-Houg as Chairman, Chan Chin-Chia as Vice Chairman, and Chan Ching-Chao as General Manager. At the same time, an audit committee was set up.
3. Compensation Committee members changed, with Wu Chieh-Hsin, Tung Chun-Jen, and Liu Ming-Hsiung serving as committee members.
4. Chan Hao-Jun was reassigned as Chairman of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., to manage Taisun's operations on the mainland.
5. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. and Hon Chuan (Zhangzhou) Packaging Co., Ltd. agreed on the termination of their performance bond but still continued to work together.
6. In response to the amendment of the Labor Standards Act, Taisun held control meeting to address arrangement of the production line shift schedule, reduction of the personnel expenses, and impact on the Company.

2017

1. Taisun oil products (nine in total) obtained halal certification from the Taipei Mosque Foundation.
2. Taisun Enterprise became an RSPO Member of the Palm Oil Sustainable

Production Association.

3. Launched seven new products. Among them, Cheers won the first place in sparkling water single product sales in June (Nielsen data).
4. TWIST WATER obtained carbon footprint verification.
5. Taisun Enterprise (Kunshan) Co. Ltd. saw income proceeds transferred to Taisun Enterprise (Zhangzhou) Foods Co., Ltd.
6. Held first institutional investor conference.
7. By resolution of the Board of Directors, a capital injection of NTD 1,466,630 thousand was undertaken.
8. The 2016 CSR Report won the Silver Award in the Traditional Group for the TCSA Sustainability Report Award.

2018

1. Capital injection of NTD 2,390,607 thousand issued at a premium of NTD 16.30 per share, increasing capital to NTD 5 billion.
2. A new product, Cha Street, is the first to launch a joint drink with hand-cranked stall chains to penetrate this market, launching Sunrise Chatai Signature Baked Milk, Comebuy Sweet Orange Jinxuan, and Shuixiang Cha Nong Lemon Little Perilla.
3. Taisun entered the functional beverage market for the first time, launching its new BUFF energy drink.
4. Launched new Woo Tang herbal jelly tea product, aiming at the sugar-free tea market with brand differentiation.
5. Repaid NTD 1.4 billion in bank loans, significantly improving debt solvency and strengthen the financial structure.
6. Dealt with real estate on Siming South Road for Taisun (Herbal) Co. Ltd., increasing operating revenues.
7. The PET production line of the Tianzhong food factory passed domestic organic agricultural processed product verification and USDA Organic Handing verification.
8. The Board of Directors passed a resolution to distribute a total of NT$11 million in employee remuneration for 2017.
9. The Shareholders' Meeting decided to distribute cash dividends of NTD 0.4 per share for 2017.
10. To strengthen corporate governance, an extraordinary shareholders' meeting was convened to re-elect the full slate of directors. It elected four ordinary directors and three independent directors, increasing the proportion of independent directors in the board structure.
11. Taisun Enterprise (Zhangzhou) Foods Co., Ltd. made early repayment of USD 10 million in foreign debt in a syndicated bank loan.

2019

1. The Board of Directors passed a resolution to distribute a total of NT$24 million in employee remuneration for 2018.
2. The Shareholders' Meeting decided to distribute cash dividends of NTD 0.8 per share for 2018.
3. Compensation Committee organization rules were revised so that starting from June 1 more than half of the members will be independent directors.
4. The oil office building was opened, and the efficiency of the oil laboratory and oil work space was improved; The grease factory added iron barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the oil factory added a metal barrel equipment production line, increased production capacity, and replaced the plant's robotic arm; the new water treatment equipment of the food factory opened and increased the activated carbon process, providing higher quality water quality; in addition, the boiler of the second plant was changed to natural gas facility operations, strengthening factory air pollution control equipment, and it completed the replacement of the sterilization kettle of the mixed congee line. All equipment investments have been successfully put into operation.

2020

1. In January, the COVID-19 Prevention Management Program was implemented and as a result, there were no positive cases throughout the year.
2. At the Shareholders' Meeting it was decided to distribute cash dividends of NTD 0.9 per share for 2019 - the highest in 20 years.
3. Taisun was included in MSCI World Small Cap Index
4. EAP Employee Assistance Program was introduced for the first time. It is a support system that integrates the Company's internal and external resources for our employees to promote workplace health and reduce risk to the organization.
5. New production lines were added for the oil business, and the establishment plan for new PE and iron and aluminum can production lines were initiated.
6. First sugar-free and additive-free congee product was launched to provide consumers with a healthy choice - Taisun Healthy Grain Congee.

2021

1. To strengthen the food safety policy and improve corporate governance, a "Food Safety Center" and "Occupational Safety and Health Management Committee" have been set up to enhance the Group's occupational safety level. The HR Administration Unit has been assigned as the dedicated ethical corporate management unit to reinforce ethical business management.
2. In an attempt to correspond with Carrefour's food transformation scheme to reduce the amount of plastic packaging, Shang Lee Food teamed up with

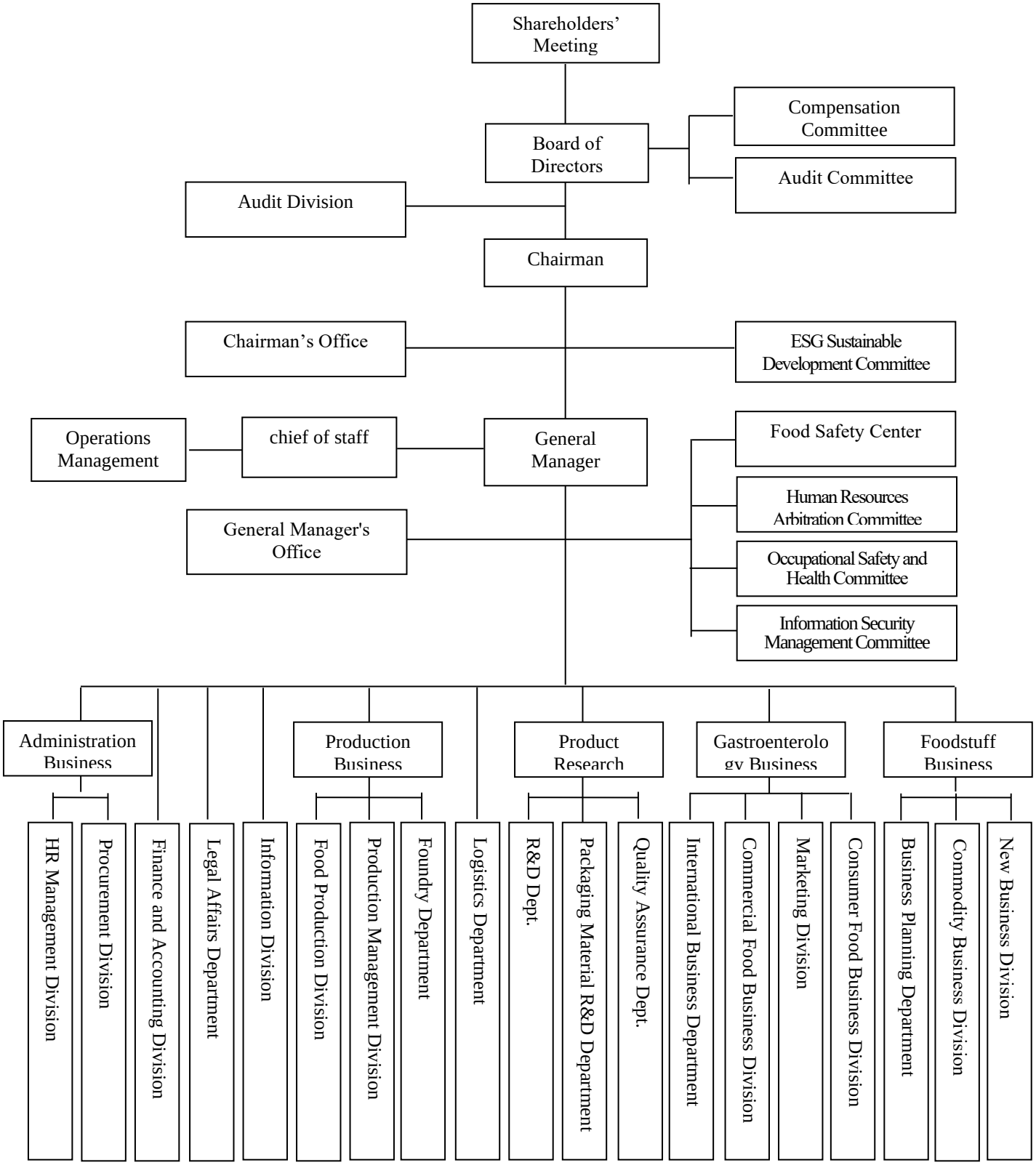
	farms with strictly selected pork (including Taisun's Baidou Farm) to reduce disposable plastic products. Hence, high-density vacuum packaging has been adopted to respond to environmental protection while at the same time maintaining the freshness of food.
	3. Promoted the "Letter of Commitment for Integrity and Sustainable Management" for the Group's vendors to sign and set up a Code of Conduct mailbox.
	4. The Shareholders' Meeting passed the motion to distribute cash dividends of NTD 1.4 per share for 2020.
	5. Initiated 2020-2021 GHG greenhouse gas emissions inventory and planned to attain ISO 14064-1 in 2022.
	6. New Food Plant 3 (iron and aluminum can line) obtained an approval letter from Changhua County Government for plant registration.
	7. Awarded "iTaiwan i Sport" by the Sports Administration.
	8. Baidou Farm was crowned the second place for healthy pork by Changhua Meat Market.
	9. The Company held the 2021 Special Shareholders Meeting to elect the 22nd Board of Directors, and appointed Chan Ching-Chao as Chairman, Chan Yi-Houg as Vice Chairman, and Tsai Cheng-Ta as General Manager.
2022	1. In January, the Board of Directors approved the appointment of Li Ming-Hui, Chen Min-Hsun and Tu Ying-Ta as the new members of the Remuneration Committee.
	2. Signed a contract with a company in the United States to formally authorize the distribution of "Sunkist" brand, and officially launched a new fruit juice business under the "Sunkist" brand.
	3. Signed a cooperation contract with Matsu Distillery to become the sales agent of Matsu sorghum liquor in China. Sales began in December.
	4. At the Shareholders' Meeting it was decided to distribute earnings in the form of cash dividends at NTD 1 per share for 2022.
	5. The Taishan carbon inventory project (inventory years 2020 to 2021) passed the ISO14064-1 certification in June.
	6. The Company started mass production of the r-PET product exported to the USA in December, marking a further step towards environmental protection.
	7. In order to activate the value of long-term equity investment, enhance shareholders' equity and improve the financial structure, the disposal of FamilyMart shares was resolved on December 2 by the board of directors. The total amount was NT$8.097 billion, and the disposition gain was NT$5.453 billion.
2023	1. Taisun pure water label-free products were launched, committed to the reduction of packaging materials, and the products have been reduced in size and waste, and then refined.

2. The Company held the 2023 extraordinary shareholders' meeting to elect the directors of the 23rd board, and appointed Liu Wei-Lung as the Chairman.
3. At the Shareholders' Meeting it was decided to distribute earnings in the form of cash dividends at NTD 0.56985663 per share for 2023.
4. Acquired the general distribution right of Matsu Distillery in Taiwan to expand the sales territory of Matsu Distillery products in Taiwan and China.
5. The Board of Directors approved the appointment of Wei-Yu Chen, Sheng-Hsien Hsiao, and Hui-Ping Huang as the members of the 6th Compensation Committee.
6. Taiwan Intellectual Property Office of the Ministry of Economic Affairs received (112) Zhi-Shang 40189-Zi No. 11280684200 assessment certificate, confirming the "Taisun" trademark as a famous trademark and certification of the symbol status of the Taishan brand.
7. The food factories, oil and fat factories, as well as the administration building of Taipei Chang-An and the Tianzhong Administration Building were certified for the "Badge of Accredited Health Workplace" to promote a healthy workplace.

Three. Corporate Governance Report

I. Organizational System

(I) Organizational Structure



(II) Businesses of each major department

Unit name	Department business
Compensation Committee	Formulate and regularly review the remuneration policy, system, standards and structure of the Company's senior management, and establish performance evaluation standards by taking into account the performance and risks associated with remuneration to ensure fairness and effectiveness.
Audit Committee	Assist the Board of Directors in supervising the effective implementation of the Company's authority in compliance with Company Act, Securities and Exchange Act, and other relevant laws and regulations.
Audit Office	Assist the Board of Directors and the management in checking and reviewing the effectiveness of the internal control system to ensure compliance with relevant laws and regulations, and provide improvement suggestions in a timely manner to ensure the basis for the continuous and effective implementation of the internal control system.
Chairman's Office	Formulate the Company's overall strategy and group new business development, manage high-level decision-making, external public relations development, promote corporate growth and development, lead and coordinate the operation of each department to achieve corporate objectives.
Operations Management Unit	Promote the operations management system, regularly analyze business operations and profit and loss performance, propose decision-making recommendations, and assist the Company in operation analysis and management.
ESG Sustainable Development Committee	Promote policies, systems, and related management guidelines and plans on environmental, social, and corporate governance issues; and fulfill corporate social responsibility and long-term commitments with stakeholders.
General Manager's Office	Strategic planning of business operations; development of new markets and new business opportunities; formulation and promotion of business policies and goals; planning of business meetings; follow-up and supervision of resolutions; and supervision of external speaking.
Food Safety Center	Promote the planning of systems, certifications in relation to food safety policies; carry out the Company's food safety management plans, food hygiene monitoring and supplier audits; and monitor the effectiveness and appropriateness of management system to ensure quality and food safety.
Human Resources Arbitration Committee	Implement and improve human resources development policies; review major revisions to various human resources systems; adjudicate unusual disputes; and evaluate other personnel rights and interests.
Occupational Safety and Health Committee	Plan, coordinate and suggest on matters in relation to occupational safety and health; improve the occupational safety and health management system via management functions such as planning, implementation, evaluation and improvement measures to achieve safety and health management objectives.
Information Security Management Committee	Planning, monitoring and execution of information security system; assess risks and propose improvement suggestions; promote employee security awareness training and education; respond to information security incidents and ensure compliance.
Foodstuff Business Group	Grain business management, sales management of soybean processing-related products, marketing of soy flour, management and operation of farms; evaluation and promotion of new business development opportunities to meet market demand, and promote the continuous growth of grain products and market competitiveness.
Gastroenterology Business Group	Operation of consumer food, commercial food and alcohol products, brand management and channel promotion, expansion of commercial food business activities, and promotion of international OEM and market development to meet consumer needs.
Product Research Business Group	R&D, technology improvement, food safety and quality assurance of food, oils and fats and OEM products, ensure product quality meets standards, obtain food safety certification, develop and innovating packaging materials, and actively develop new products to create and solve market needs.
Logistics Department	Transportation and distribution, warehousing management and packaging management; improve the overall logistics operation efficiency; reduce customer complaints; achieve the goal of distribution cost control; and meet the channel needs.
Production Business Group	Production planning and management of the production plants and outsourced manufacturing units; implementation of the quality policy; and improvement of overall production efficiency; ensuing the smooth operation of production lines and product delivery; and the maintenance of the production plant environment and occupational health and safety.
Information Division	The information system operates safely and stably; solves technical problems; promotes the sharing of business data within the Company; improves work efficiency and processes; and continues to develop new systems to support the Company's operational needs.
Legal Affairs Department	Contract review; legal risk management and legal litigation handling; protect the company's rights and interests; reduce company risks; and ensure that the Company's business operations comply with laws and regulations.
Finance and Accounting Division	Group financial reporting, fund management, accounting standard compliance and risk assessment to ensure the Company's sound financial position and continuous improvement of corporate governance.
Administration Business Group	Strengthen supply chain management and procurement advantages to ensure the stability of the supply chain; cultivate and develop talent, establish a competitive working environment, and actively promote sustainable development of the company.

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

(I) Directors and Supervisors

1. Information of Directors

March 31, 2024

The tenure of the 22nd Board of Directors **ended on May 30, 2023**

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	Shares held at the time of appointment		Shares held at the time of dismissal		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 2)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
Chairman	Republic of China	Jing Xun Investment Industrial Corporation Limited	-	2021/12/16	3 years	2016/04/25	10,446,082	2.09%	10,446,082	2.09%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Chan Ching-Chao	Male 51~60	2021/12/16	3 years	2004/06/16	6,459,862	1.29%	6,459,862	1.29%	511,000	0.10%	0	0	Note 2	Note 2	None	None	None	None
Vice Chairman	Republic of China	Shenyang Investment Co., Ltd.	-	2021/12/16	3 years	2016/04/25	2,630,570	0.53%	2,630,570	0.53%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: No-Hua Chen (Note 4)	Female 41~50	2023/01/17	3 years	2023/01/17	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Hongqiang Co., Ltd.	-	2021/12/16	3 years	2021/12/16	922,000	0.18%	922,000	0.18%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Hao-Jun Chan	Male 41~50	2021/12/16	3 years	2004/06/16	1,852,738	0.37%	1,852,738	0.37%	423,391	0.08%	922,000	0.18%	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	188,106,000	37.62%	0	0	58,279,000	11.66%	None	None	None	None	None	None
	Republic of China	Representative: Wei-Lung Liu	Male 51~60	2021/12/16	3 years	2009/06/10	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Long Bon International Industrial Co., Ltd.	-	2021/12/16	3 years	2021/12/16	127,533,000	25.51%	188,106,000	37.62%	0	0	58,279,000	11.66%	None	None	None	None	None	None
	Republic of China	Representative: Tai-Sheng Han	Male 51~60	2021/12/16	3 years	2021/12/16	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Min-Hsun Chen (Note 4)	Female 51~60	2021/12/16	3 years	1998/05/26	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Ming-Hui Li (Note 4)	Male 61~70	2021/12/16	3 years	2009/11/16	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None

The tenure of the 23rd Board of Directors

started on May 31, 2023

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 2)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
Chairman	Republic of China	Baosheng Investment Co., Ltd.	-	2023/05/31	3 years	2023/05/31	58,279,000	11.66%	58,279,000	11.66%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Wei-Lung Liu	Male 51~60	2023/05/31	3 years	2009/06/10	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Baosheng Investment Co., Ltd.	-	2023/05/31	3 years	2023/05/31	58,279,000	11.66%	58,279,000	11.66%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Tai-Sheng Han	Male 61~70	2023/05/31	3 years	2021/12/16	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Baosheng Investment Co., Ltd.	-	2023/05/31	3 years	2023/05/31	58,279,000	11.66%	58,279,000	11.66%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Liu Huang-Chi	Male 51~60	2023/05/31	3 years	2023/05/31	0	0	22,000	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Baosheng Investment Co., Ltd.	-	2023/05/31	3 years	2023/05/31	58,279,000	11.66%	58,279,000	11.66%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: SHAO,MING-PIN	Male 61~70	2024/03/25	3 years	2024/03/25	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
	Republic of China	Representative: Yang Wen-Ching	Male 61~70	2023/05/31	3 years	2023/05/31	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Chih Deng Investment Co., Ltd.	-	2023/05/31	3 years	2023/05/31	10,000	0	10,000	0	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: No-Hua Chen	Female 41~50	2023/07/19	3 years	2023/01/17	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Director	Republic of China	Hongqiang Co., Ltd.	-	2023/05/31	3 years	2021/12/16	922,000	0.18%	465,000	0.09%	0	0	0	0	None	None	None	None	None	None
	Republic of China	Representative: Fu Chen-Hsiang (Note 6)	Male 51~60	2023/08/07	3 years	2023/08/07	0	0	759,649	0.15%	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Hsiao Sheng-Hsien	Male 61~70	2023/05/31	3 years	2023/05/31	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None
Independent Director	Republic of China	Chen Wei-Yu	Male 61~70	2023/05/31	3 years	2023/05/31	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None

The tenure of the 23rd Board of Directors

started on May 31, 2023

Title	Nationality or place of registration	Name	Gender & Age	Election (inauguration) date	Term of office	Date of first appointment	Shares held at the time of appointment		Shares held currently		Spouse and minor children now holding shares		Shares held in the names of others		Principal experience (education) (Note 2)	Positions now held concurrently in the Company and in other companies	Other supervisors, directors, or supervisors with a spousal relationship or second degree of kinship			Remarks (Note 3)
							Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding proportion			Job title	Name	Relationship	
Independent Director	Republic of China	Huang Hui-Ping	Female 51~60	2023/05/31	3 years	2023/05/31	0	0	0	0	0	0	0	0	Note 2	Note 2	None	None	None	None

Note 1: Directors who have worked in the CPAs' firm or affiliated companies: None.
Note 2: Directors' principal experience (education) and positions now held concurrently in the Company and in other companies, please refer to p.19 to 21 of this annual report.
Note 3: If the Chairman is the same person as the general manager or an equivalent position, or if they are spouses or relatives of one another: None.
Note 4: The 22nd Corporate Director Shenyang Investment Co., Ltd. reappointed Chen No-Hua as its representative on January 17, 2023; Independent director Tu Ying-Ta resigned on May 4, 2023 and Independent Director Chen Min-Hsun stepped down on May 9, 2023.
Note 5: The Company re-elected the 23rd Board of Directors at the extraordinary shareholders' meeting on May 31, 2023, and took office on May 31, 2023.
Note 6: The 23rd Corporate Director Hongqiang Co., Ltd., appointed Fu Chen-Hsiang as its representative on August 7, 2023.
Note 7: Independent Director Hsiao Sheng-Hsien resigned on March 13, 2024.
Note 8: The 23rd Corporate Director Baosheng Investment Co., Ltd.., appointed SHAO,MING-PIN as its representative on March 25, 2024.

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

The tenure of the 22nd Board of Directors **ended on May 30, 2023**				
Title	Name	Principal education	Experience	Positions concurrently serving in the Company and other companies
Chairman	Chan Ching-Chao	Master Degree, Utah State University Entrepreneur Management Research Class, Department of Business Management, National Chengchi University	General manager of Taisun Enterprise Co., Ltd., Independent Director of Super Dragon Technology Co., Ltd. Director of CVS.COM Co., Ltd.	Chairman of Taisun Enterprise Co., Ltd., Chairman /General Manager of Pin-Tai Distribution Enterprise Co., Ltd., Chairman of Taisun Yuan Co., Ltd, Chairman of Taisun (Cayman) Investment Ltd., Director of Pioneer Traffic Co. Ltd., Director of Taiwan Niko Mart Co., Ltd., Director of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Director of Central Union Oil Corp., Ltd., Director of Taiwan FamilyMart Co., Ltd.
Director	No-Hua Chen	LLB, Department of Law, National Taipei University	Researcher, Faculty of Law, The University of Tokyo, Japan Former Judicial Yuan Personnel Review Committee member Former Chief Judge, Criminal Division, Taipei District Court Chief Attorney-at-Law of Cheng Che Law Offices	Director of Taisun Enterprise Co., Ltd., Chief Attorney-at-Law of Cheng Che Law Offices
Director	Hao-Jun Chan	University of British Columbia, Canada, Bachelor Degree,	Supervisor of Taisun Enterprise Co., Ltd.,	Director of Taisun Enterprise Co., Ltd., Supervisor of Pin-Tai Distribution Enterprise Co., Ltd., Supervisor of Pioneer Traffic Co. Ltd., Director of Taisun Yuan Co., Ltd., Chairman and General Manager of Taisun Enterprise (Zhangzhou) Foods Co., Ltd., Chairman of Hongqiang Co., Ltd.
Director	Wei-Lung Liu	College of Law, National Taiwan University	Chairman of Lungyen Life Service Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Long Bon International Co., Ltd. Chairman of Baosheng Investment Co., Ltd. Chairman of Reiju Construction Co Ltd.
Director	Tai-Sheng Han	Department of Physics, Tamkang University	Chairman of Evga Corporation	Director of Taisun Enterprise Co., Ltd., Chairman of Evga Corporation
Independent Director	Min-Hsun Chen	MBA, Drucker School of Management Claremont Graduate University, USA B.S., Business (Financial Management), University of Southern California	CEO of Taipei Management Center, E United Group Vice Chair, Decision Management Committee, E United Group Chairman of E-da Royal Hotel Company Ltd. Chairman of Taipei Financial Center Corp. Chairman of China Development Financial Holding Corporation	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of Minli Investment Co., Ltd.
Independent Director	Ming-Hui Li	Stevens Institute of Technology, Master of Business Administration	General Manager, MasterLink Securities Corporation General Manager of Taiwan International Securities Co., Ltd. General Manager of Huan Nan Securities Director, Taiwan Securities Association (2nd & 3rd terms)	Independent Director/Member of the Compensation Committee of Taisun Enterprise Co., Ltd. Chairman of MasterLink Securities Corporation

The tenure of the 23rd Board of Directors started on May 31, 2023				
Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Chairman	Wei-Lung Liu	College of Law, National Taiwan University	Chairman of Lungyen Life Service Corporation Chairman of Long Bon International Co., Ltd. Chairman of Baosheng Investment Co., Ltd. Director of Taisun Enterprise Co., Ltd.,	Chairman of Pin-Tai Distribution Enterprise Co., Ltd. Chairman of Taisun Yuan Co., Ltd. Chairman of Taisun (Cayman) Investment Ltd. Director of Taiwan Niko Mart Co., Ltd. Director of Central Union Oil Corp., Ltd. Director of Taiwan FamilyMart Co., Ltd. Chairman of Long Bon International Co., Ltd. Chairman of Baosheng Investment Co., Ltd. Director of Reiju Construction Co Ltd.
Director	Tai-Sheng Han	Department of Physics, Tamkang University	Chairman of Evga Corporation Director of Taisun Enterprise Co., Ltd.,	Chairman of Evga Corporation
Director	Liu Huang-Chi	Master of Law, College of Social Sciences, Tunghai University	Director of Authenticity Attorneys-at-law Independent Director of CTBC Life Insurance Co., Ltd. Independent Director of Taiwan Life Insurance Co., Ltd. Investigating Judge of Taiwan High Court Judge and Presiding Judge of Taiwan Taipei District Court Director of Taisun Enterprise Co., Ltd.,	Principal lawyer of Authenticity Attorneys-at-law Chairman of WANZE Company Ltd. Chairman of Jingpin Development Co., Ltd. Director of Long Bon International Co., Ltd. Director of Eastern Home Shopping & Leisure Co., Ltd. Director of Eastern E-Commerce Co., Ltd. Director of ET New Media Holdings Co., Ltd. Director of Care Pet Bio-Tech Company Director of Sheng Cheng Co., Ltd. Director of Lian Teh Industrial Development Foundation Supervisor of Uneast Engineering and Development Co.

The tenure of the 23rd Board of Directors started on May 31, 2023				
Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Director	Shao Ming-Bin	Tung Fang Institute of Technology	COO, Global Funeral Services Corporation, Ltd. General manager of Zhan-Yun Enterprise Co., Ltd., Assistant General Manager, Chinpaosan Group	Chairman of Fortune Base Development Corp. Ltd. Director of Long Bon International Co., Ltd. Chairman of Reiju Construction Co Ltd. Chairman of Global Beihai Fuzuo Cemetery All subsidiaries of Global Funeral Services Co., Ltd. - Representative Chairman of Yi Feng Investment Co., Ltd. Chairman of You Long Construction Development Co., Ltd. Director of Orient Star Golf Entertainment Co., Ltd. Chairman of Water Meworld Hotel Chairman of New Taipei City Guo Bao Social Welfare Charity foundation Director of Guo Bao Golf Sports Development Foundation Chairman of Sanzhi Tzu-An Co., Ltd. Chairman of Lung Fu Real Estate Co., Ltd. Chairman of Lung Hui Development Co., Ltd. Chairman of Ming Xi Development Co., Ltd. Chairman of Lung Bao Industrial Co., Ltd. Chairman of Heng Chuang Industrial Co., Ltd. Chairman of Long Te International Development Co., Ltd. Chairman of Dong Hua International Golf & Entertainment Co., Ltd. Chairman of Zhen Chuang Co., Ltd. Director of Guobao Service Co., Ltd. Chairman of Bei-Hai Yu-Le Entertainment Co., Ltd. Director of Bei Hai Insurance Brokers Co., Ltd. Director, Guo Bao Pets Co., Ltd. Director of Taisun Enterprise Co., Ltd.,
Director	Yang Wen-Ching	PhD, Economic Law, School of Law, Peking University	Director of Bank of Kaohsiung Co., Ltd. Director of Grant Trust International Law Offices Deputy Director General of Financial Examination Bureau, Financial Supervisory Commission Prosecutor, Taiwan Taipei District Prosecutors Office, Taiwan	Director of Grant Trust International Law Offices Independent Director of Tayih Kenmos Auto Parts Co., Ltd. Independent Director of Shenmao Technology Inc. Independent Director of Tonlin Department Store Co., Ltd.
Director	No-Hua Chen	LLB, Department of Law, National Taipei University	Chief Judge of Criminal Division, Taipei District Court Chief Attorney-at-Law of Cheng Che Law Offices Director of Taisun Enterprise Co., Ltd.,	Chief Attorney-at-Law of Cheng Che Law Offices
Director	Fu Chen-Hsiang (Note 2)	Master of Business Administration in Technology, Rensselaer Polytechnic Institute, New York, USA	General manager of Taiwan Wax Company Ltd. Independent Director of Nan Tsan Co., Ltd. Chairman of Cirocomm Technology Corp. Special Assistant of Global Strategy Planning Office , BenQ Corporation Consultant of CEO Office , Wistron Information Technology & Services Corp.	None

The tenure of the 23rd Board of Directors started on May 31, 2023				
Title	Name	Principal education	Experience	Positions now held concurrently in the Company and in other companies
Independent Director	Hsiao Sheng-Hsien	PhD, Graduate Institute of Law, University of International Business and Economics (China) Master of Laws, Soochow University Bachelor of Commerce, Accounting Division, National Taiwan University	Associate and Director of Chien Ho CPAs Independent Director of Formosan Rubber Group Inc.	Convener of the Company's Remuneration Committee Associate and Director of Chien Ho CPAs Independent Director/Member of the Remuneration Committee of Apex Science & Engineering Corp. Civil Mediation Commissioner of Taipei District Court Arbitrator of Chinese Arbitration Association, Taiwan
Independent Director	Chen Wei-Yu	MBA, University of California, Los Angeles Bachelor, Department of International Trade, National Chengchi University	Independent Director of Cheer Time Enterprise Co., Ltd. Independent Director of Jabon International Co., Ltd. CFO of Taiwan Listing Company Association Partner of Deloitte Taiwan General manager of Deloitte Taiwan Financial Advisory Corporation Futures Team of Securities Commission, Ministry of Finance Director of Chinese Association for Intangible Assets and Corporate Appraisal Director/Secretary-General of Taiwan Enterprise Restructuring Association Futures and Options Selection Sub-Committee of Taiwan Securities Association Member of Dispute Mediation Sub-group, Chinese National Futures Association Member of Education and Training Committee of Financial Planning Association of Taiwan Member of MAPECT Lecturer of Taiwan Taipei Securities Association Lecturer of Securities and Futures Market Development Foundation Lecturer of Financial Personnel Training Course Lecturer of Taxation Training Institute, Ministry of Finance Lecturer, Internal Audit Association of the Republic of China Lecturer of Commercial Arbitration Association, Taiwan	Member of the Company's Remuneration Committee/Convener of the Company's Audit Committee Associate of JYH HER CPAs Independent Director/Member of Remuneration Committee/Convener of Audit Committee/Member of Corporate Governance and Nomination Committee, GrandTech C.G. Systems Inc. Independent Director/Member of Remuneration Committee/Convener of Audit Committee, IKKA Holding(Cayman) Limited Husky International Co., Ltd .- Representative
Independent Director	Huang Hui-Ping	Bachelor of Laws, Department of Law, National Chung Hsing University	Arbitrator of Chinese Arbitration Association, Taiwan Associate of Wen Hui Attorneys at Law Principal lawyer of HHP Attorneys-at-law Junior Associate of Formosa Transnational Attorneys at Law Senior lawyer of Baker McKenzie	Member of the Company's Remuneration Committee Associate of Wen Hui Attorneys at Law

Note 1: The Company re-elected the 23rd Board of Directors at the extraordinary shareholders' meeting on May 31, 2023, and took office on May 31, 2023.
Note 2: The 23rd Corporate Director Hongqiang Co., Ltd., appointed Fu Chen-Hsiang as its representative on August 7, 2023.
Note 3: Independent Director Hsiao Sheng-Hsien resigned on March 13, 2024.
Note 4: The 23rd Corporate Director Baosheng Investment Co., Ltd.., appointed SHAO,MING-PIN as its representative on March 25, 2024.

2. Principal shareholders of corporate shareholders:

March 31, 2024

Name of corporate shareholders	Principal shareholders of corporate shareholders
Baosheng Investment Co., Ltd.	Long Bon International Co., Ltd. 100.00%
Zhi Deng Investment Co., Ltd.	Chan Chun-Nien 20.00%
Hongqiang Co., Ltd.	Hao-Jun Chan 98.41%

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

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

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

The tenure of the 22nd Board of Directors ended on May 30, 2023				
Condition / Name		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
Chairman	Chan Ching-Chao	With his practical experience in strategic management and leadership competence in the food industry, Mr. Chan Ching-Chao has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He also serves as a director in a company in the relevant industry to contribute his corporate governance management expertise. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any other director. 2. A director, supervisor , or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	No-Hua Chen	Ms. No-Hua Chen is qualified as a lawyer in Taiwan and satisfies one of the professional qualification requirements specified in Paragraph 2, Article 14-2 of the Securities and Exchange Act. She has many years of practicing experience in a law firm. She was a researcher at the Law School, University of Tokyo, Japan, a former member of the Personnel Review Committee, Judicial Yuan, and former Chief Judge of the Criminal Division, Taipei District Court. She is currently the Chief Attorney-at-Law of Cheng Che Law Offices. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any other director. 2. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Hao-Jun Chan	With his practical experience in strategic management and leadership competence in the food industry, Mr. Hao-Jun Chan has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He has practical capabilities in accounting, business, marketing and industry-related business planning, management and administration competence. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any other director. 2. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Wei-Lung Liu	With his practical experience in strategic management and leadership competence in the food industry, Mr. Wei-Lung Liu has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman of Long Bon International Co., Ltd. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Tai-Sheng Han	With his practical experience in strategic management and leadership competence in the electronics industry, Mr. Tai-Sheng Han has accumulated extensive knowledge, capabilities, education and business management experience in the electronics industry necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman of Evga Corporation. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person or their spouses do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Independent Director	Min-Hsun Chen	Ms. Min-Hsun Chen holds an MBA from Peter F Drucker School of Management, California. She meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. Her financial management professionalism comes from serving as CEO at E United Group between September 2013 and September 2018. She also served as Chairman of China Development Financial Holding Corporation and Taipei Financial Center Corp. Current Chairman of Minli Investment Co., Ltd.	1. Her independence elements have been verified to meet the independence requirements listed on the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” promulgated by the FSC. 2. The Company's Articles of Incorporation sets forth that directors are elected by the adoption of the candidate nomination system. Upon nomination and selection of the board members, the Company has obtained a written statement,	None

The tenure of the 22nd Board of Directors ended on May 30, 2023				
Name / Condition		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
Independent Director	Ming-Hui Li	Mr. Ming-Hui Li holds a master's degree of Stevens Institute of Technology, Master of Business Administration He meets one of the professional qualifications stipulated in Article 14-2, Paragraph 2 of the Securities and Exchange Act. His financial management professionalism comes from serving as General Manager of Huan Nan Securities, Taiwan International Securities Co., Ltd., and MasterLink Securities Corporation between July 2000 and December 2021. Current Chairman of MasterLink Securities Corporation.	work experience and proof of current employment from each director for verification. 3. The independent director, their spouse, or relative within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates. It has been verified that during the 2 years prior to their election and during the term of their office, the 3 independent directors listed have met all qualification elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC and Article 14-2 of the Securities and Exchange Act. 4. The independent director or their spouses do not hold any shares of the company.	None

The tenure of the 23rd Board of Directors started on May 31, 2023				
Name \ Condition		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
Chairman	Wei-Lung Liu	With his practical experience in strategic management and leadership competence in the food industry, Mr. Liu Wei-Lung has accumulated extensive knowledge, capabilities, education and management necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related professional business planning, management and administration competence. Current Chairman of Long Bon International Co., Ltd. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Tai-Sheng Han	With his practical experience in strategic management and leadership competence in the electronics industry, Mr. Tai-Sheng Han has accumulated extensive knowledge, capabilities, education and business management experience in the electronics industry necessary to carry out his duties. He is a manager with accounting, business, marketing and industry-related business planning, management and administration competence. Current Chairman of Evga Corporation. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Liu Huang-Chi	Mr. Liu Huang-Chi is a qualified attorney in Taiwan and meets one of the professional qualification requirements stipulated in Paragraph 2, Article 14-2 of the Securities and Exchange Act. Mr. Yang has many years of experience in the practice of law, and was the Investigating Judge of Taiwan High Court and Judge and Presiding Judge of Taiwan Taipei District Court. Current director of Authenticity Attorneys-at-law. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any other director. 2. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	3
Director	SHAO,MING-PIN	Mr. SHAO,MING-PIN has both strategic management and leadership capabilities. He has extensive knowledge, skills, qualities and operational management experience required to perform his duties. He also has practical capabilities in financial accounting, business, marketing and industry-related operational planning, operation and management. The manager. Now he is the chairman of FORTUNE BASE DEVELOPMENT CORP. LTD. There is no one of the circumstances specified in Article 30 of the Company Law.	1. The person, their spouses or minor children do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Yang Wen-Ching	Mr. Yang Wen-Ching is a qualified attorney in Taiwan and meets one of the professional qualification requirements stipulated in Paragraph 2, Article 14-2 of the Securities and Exchange Act. Mr. Yang has many years of experience in the practice of law, and was the Deputy Director of the Bureau of Inspection of the Financial Supervisory Commission of the Executive Yuan, and Prosecutor, Taiwan Taipei District Prosecutors Office, Taiwan. Current Director of Grant Trust International Law Offices. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. The person, their spouses or minor children do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	Fu Chen-Hsiang (Note 3)	Mr. Fu Chen-Hsiang graduated from Master of Business Administration in Technology, Rensselaer Polytechnic Institute, New York, USA. He has more than 20 years of professional experience in managing senior managers. He is currently a director of Taisun Enterprise Co., Ltd., and is not subject to any of the conditions set forth in Article 30 of the Company Act.	1. Not a spouse or a relative within the second degree of kinship to any other director. 2. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None
Director	No-Hua Chen	Ms. No-Hua Chen is qualified as a lawyer in Taiwan and satisfies one of the professional qualification requirements specified in Paragraph 2, Article 14-2 of the Securities and Exchange Act. She has many years of practicing experience in a law firm. She was a researcher at the Law School, University of Tokyo, Japan, a former member of the Personnel Review Committee, Judicial Yuan, and former Chief Judge of	1. The person or their spouses do not hold any shares of the company. 2. Not a spouse or a relative within the second degree of kinship to any other director. 3. A director, supervisor, or employee of another company or institution that is not the same person as the chairman, general manager or equivalent of the company or the spouse of the company.	None

The tenure of the 23rd Board of Directors started on May 31, 2023				
Name / Condition		Professional Qualifications and Experience	State of Independence	Number of independent directors concurrently serving in other public offering companies
		the Criminal Division, Taipei District Court. She is currently the Chief Attorney-at-Law of Cheng Che Law Offices. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.		
Independent Director	Hsiao Sheng-Hsien	Mr. Sheng-Hsien Hsiao is qualified as a certified public accountant in Taiwan and has more than 30 years of professional accounting experience. Currently, he is an associate and director of Chien Ho CPAs, and an independent director of APEX SCIENCE & ENGINEERING CORP. Mr. Hsiao Sheng-Hsien is currently a civil mediator of Taiwan Taipei District Court and an arbitrator of the Chinese Arbitration Association, Taiwan, and has professional experience in finance, auditing, and operations. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.	1. Her independence elements have been verified to meet the independence requirements listed on the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC. 2. The Company's Articles of Incorporation sets forth that directors are elected by the adoption of the candidate nomination system. Upon nomination and selection of the board members, the Company has obtained a written statement, work experience and proof of current employment from each director for verification. 3. The independent director, their spouse, or relative within the second degree of kinship is not serving as a director, supervisor or employee of the Company or its affiliates. It has been verified that during the 2 years prior to their election and during the term of their office, the 3 independent directors listed have met all qualification elements listed in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by the FSC and Article 14-2 of the Securities and Exchange Act. 4. The independent director or their spouses do not hold any shares of the company.	1
Independent Director	Chen Wei-Yu	Mr. Chen Wei-Yu is a certified public accountant in Taiwan and has more than 30 years of professional accounting experience. Currently, he is an associate of JYH HER CPAs, independent director of GrandTech C.G. Systems Inc., and independent director of IKKA Holding(Cayman) Limited. Chen Wei-Yu has professional ability in accounting and auditing, industry knowledge and industry operation. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.		2
Independent Director	Huang Hui-Ping	Ms. Huang Hui-Ping is qualified as a lawyer in Taiwan and meets one of the professional qualifications specified in Article 14-2, Paragraph 2 of the Securities and Exchange Act. She was previously an arbitrator for the Chinese Arbitration Association, Taiwan and has many years of experience in the law firm. She is currently an associate at Wen Hui Attorneys at Law. Not exhibiting any of the circumstances specified under Article 30 of the Company Act.		None

Note 1: For each director's positions now held concurrently in the Company and in other companies, please refer to p.19-21 of this annual report.
Note 2: The Company re-elected the 23rd Board of Directors at the extraordinary shareholders' meeting on May 31, 2023, and took office on May 31, 2023.
Note 3: The 23rd Corporate Director Hongqiang Co., Ltd., appointed Fu Chen-Hsiang as its representative on August 7, 2023.
Note 4: Independent Director Hsiao Sheng-Hsien resigned on March 13, 2024.
Note 5: The 23rd Corporate Director Baosheng Investment Co., Ltd.., appointed SHAO,MING-PIN as its representative on March 25, 2024

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

(1) Policy for diversity of Board members:

The Company's directors are elected in accordance with the candidate nomination system set forth in Article 192-1 of the Company Act. Shareholders shall elect directors from the list of director candidates, and at least one board meeting shall be convened each quarter. Article 20 of the Company's "Corporate Governance Practices" stipulates:

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

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

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

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

(I) Ability to make operational judgments. (II) Ability to perform accounting and financial analysis. (III) Ability to conduct management administration. (including management of subsidiaries)

(IV) Ability to conduct crisis management. (V) Knowledge of the industry. (VI) An international market perspective. (VII) Ability to lead. (VIII) Ability to make policy decisions

(2) Specific management objective:

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

Management objectives	Achievement
The seats of independent directors reached one-third of the seats of directors	Achieved
Directors who also concurrently serve as company general directors are advised to not exceed one-third of the seats of directors	Achieved
More than 1 female director (target at least 2 female directors)	Achieved
Both general directors and independent directors have served less than 3 terms	Achieved
Adequate and diverse professional knowledge and skills	Achieved

(3) Independence of the Board of Directors:

In order to implement the policy of diversity of the Board of Directors, the current Board of Directors consists of 6 directors and 2 independent directors for a total of 8 seats (independent directors accounted for 25%). Among the directors, 6are male, accounting for 75%, and 2 are female, accounting for 25%. None of the directors of the Company concurrently serve as a manager of the Company. The members of the Board of Directors have professional backgrounds in law, industry, finance and accounting, marketing, and technology, and have the skills in business management, leadership decision-making, operational judgment and crisis management, accounting and financial analysis, industry knowledge, and international market outlook. We demonstrate the effectiveness of diversity and complementarity in order to protect the rights and interests of shareholders and properly observe and practice corporate governance. The term of each board of directors is 3 years, and a candidate nomination system is adopted.

The Company's Board of Directors is not subject to the conditions specified in Paragraphs 3 and 4, Article 26-3 of the Securities and Exchange Act and is independent.

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

In order to implement good governance, the Company follows the "Corporate Governance Best Practice Principles". The Board implements the policy of diversity of board members, and conducts the "Performance Evaluation of the Board of Directors" every year. The evaluation results are used as a reference for the nomination of directors in the future. To implement independence, more than half of the Company's directors are not spouses or relatives within the second degree of kinship. We ensure that members have the knowledge, skills and literacy necessary to perform their duties. The Company continues to arrange continuing education courses for board members and senior managers every year. By doing this, we help members improve their professional knowledge, international market outlook and other professional capabilities, in order to strengthen the functions of the Board of Directors and improve the decision-making ability in case of crisis judgment. The Company also provides an internal online course learning platform, which is rich in leadership, management, technology, innovation, industry trends and other continuing education programs for management colleagues to learn on their own. The selection process of the Company's director candidate list complies with the qualification review and related regulations to ensure that suitable new director candidates can be effectively identified and elected when there is a vacancy in the number of directors or planning to increase the number of directors.

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

The tenure of the 22nd Board members ended on May 30, 2023

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

The tenure of the 23rd Board members started on May 31, 2023

Diversified items / Director's name	Country of citizenship	Gender	Age			Independent Director	Professional Background (Education)	Core items for diversity (top 5 items)								
			41 to 50	51 to 60	61 to 70			Accounting	Legal affairs	Environmental protection	Finance	Management	Leadership decision making	Industry knowledge	Crisis management	International market views
Wei-Lung Liu	Republic of China	Male		●			College of Law, National Taiwan University		●			●	●		●	●
Tai-Sheng Han	Republic of China	Male			●		Department of Physics, Tamkang University				●	●	●		●	●
Liu Huang-Chi	Republic of China	Male		●			Master of Law, College of Social Sciences, Tunghai University		●			●	●		●	●
SHAO,MING-PIN	Republic of China	Male			●		Dongfang High School of Industry and Commerce				●	●	●		●	●
Yang Wen-Ching	Republic of China	Male			●		PhD, Economic Law, School of Law, Peking University		●			●	●		●	●
Fu Chen-Hsiang	Republic of China	Male		●			Master of Business Administration in Technology, Rensselaer Polytechnic Institute, New York, USA				●	●	●		●	●
No-Hua Chen	Republic of China	Female	●				LLB, Department of Law, National Taipei University		●			●	●		●	●
Hsiao Sheng-Hsien	Republic of China	Male			●	●	PhD, Graduate Institute of Law, University of International Business and Economics (China)	●				●	●		●	●
Chen Wei-Yu	Republic of China	Male			●	●	MBA, University of California, Los Angeles	●				●	●		●	●
Huang Hui-Ping	Republic of China	Female		●		●	Bachelor of Laws, Department of Law, National Chung Hsing University		●			●	●		●	●

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

March 31, 2024

Job title	Country of citizenship	Name (Note 1)	Gender	Election (inauguration) date	Shares held		Shares held by spouse and minor children		Shares held in the names of others		Principal education (experience) (Note 2)	Other concurrent service currently Position in the Company	Spouse or relatives within the second degree of kinship or closer acting as managers			Remarks
					Shares	Shareholding ratio	Shares	Shareholding ratio	Shares	Shareholding ratio			Job title	Name	Relationship	
General Manager	Republic of China	Cheng-Ta Tsai	Male	2021/12/16	0	0	0	0	0	0	Graduate Institute of Economics, Fu Jen Catholic University General Manager of the Golden Agri Resources (Tianjin) Company	Director of Pin-Tai Distribution Enterprise Co., Ltd./Director of Taisun Yuan Co., Ltd./Chairman of Taiwan Niko Mart Co., Ltd./Director of Taisun Yuan Co., Ltd./Chairman of Pioneer Traffic Co. Ltd./Chairman of Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	None	None	None	None
Chief of Staff	Republic of China	Su Shou-Pin	Male	2023/08/24	0	0	0	0	0	0	Institute of Management Science, Tamkang University	None	None	None	None	None
Deputy General Manager/Finance Officer/Corporate Governance Officer/Spokesperson	Republic of China	Li Shu-Hui	Female	2023/06/16	0	0	0	0	0	0	Department of Business Administration, Tatung University	Supervisor of Pin-Tai Distribution Enterprise Co., Ltd./Supervisor of Taisun Yuan Co., Ltd./Supervisor of Taiwan Niko Mart Co., Ltd./Supervisor of Pioneer Traffic Co. Ltd.	None	None	None	None
Marketing Division Vice General Manager	Republic of China	Niu An-Tse	Male	2023/08/24	0	0	0	0	0	0	Department of Chinese Literature, Soochow University	None	None	None	None	None
Production Business Group Chief Technology Officer	Republic of China	Wang Tseng-Kun	Male	2023/12/21	247,020	0.04%	0	0	0	0	Department of Food and Nutrition, Fu Jen Catholic University	None	None	None	None	None
Administration Business Group Chief Executive Officer	Republic of China	Lin Li-Wan	Female	2024/01/23	225,311	0.04%	0	0	0	0	Department of Sociology, Fu Jen Catholic University	None	None	None	None	None
Consumer Business Group Chief Operating Officer	Republic of China	Shen Yi-Chun	Female	2024/03/12	0	0	0	0	0	0	Part-time credit class, Institute of Transportation and Logistics Management, National Chiao Tung University	None	None	None	None	None
Product Research Business Group Product Research Officer	Republic of China	Chang Shu-Miao	Female	2024/03/12	0	0	0	0	0	0	Department of Industrial Engineering, Chung Yuan Christian University	None	None	None	None	None
Accounting Supervisor	Republic of China	Gu-Long Yan	Male	2023/11/13	239,421	0.04%	0	0	0	0	Department of Statistics, National Cheng Kung University	Director of Pin-Tai Distribution Enterprise Co., Ltd.,/Director of Taisun Yuan Co., Ltd./Director of Pioneer Traffic Co. Ltd.	None	None	None	None
Audit Supervisor	Republic of China	Liu Ssu-Pei	Female	2023/12/21	0	0	0	0	0	0	Department of Business Administration, Chinese Culture University	None	None	None	None	None

Note 1: Refer to the current managers as of the publication date of the annual report.
Note 2: Key managers who have worked in the CPAs' firm or affiliated companies: None.

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

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

(I) Remuneration of general directors and independent directors

December 31, 2023; Unit: NTD thousand

22nd term																					
Job title	Name	Directors' remuneration								Sum of A, B, C, and D and their percentage in net income after tax		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G and as percentage of net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company.
		Remuneration (A)		Pension upon retirement (B)		Director's remuneration (C)		Business execution expenses (D)				Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee remuneration (G)						
																The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	Companies included into the financial statements	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial report	
Chairman	Jing Xun Investment Industrial Corporation Limited	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Chan Ching-Chao	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**258**	**250 -0.0031**	**258 -0.0032**	**2,916**	**3,951**	**0**	**0**	**0**	**0**	**0**	**0**	**3,166 -0.0391**	4,209 -0.0522	None
Vice chairman	Shenyang Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Chan Yi-Houg	**0**	**0**	**0**	**0**	**0**	**0**	**25**	**34**	**25 -0.0003**	**34 -0.0004**	**715**	**2,371**	**0**	**0**	**0**	**0**	**0**	**0**	**740 -0.0092**	2,405 -0.0298	None
Director	Shenyang Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Chen No-Hua	**0**	**0**	**0**	**0**	**0**	**0**	**224**	**224**	**224 -0.0028**	**224 -0.0028**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**224 -0.0028**	224 -0.0028	None
Director	Hongqiang Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Hao-Jun Chan	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**258**	**250 -0.0031**	**258 -0.0032**	**1,351**	**3,137**	**1,137**	**1,137**	**0**	**0**	**0**	**0**	**2,738 -00339**	4,532 -0.0562	None
Director	Long Bon International Industrial Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Liu Wei-Lung	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**250**	**250 -0.0031**	**250 -0.0031**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**250 -0.0031**	250 -0.0031	None
Director	Long Bon International Industrial Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Tai-Sheng Han	**0**	**0**	**0**	**0**	**0**	**0**	**250**	**250**	**250 -0.0031**	**250 0.0031**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**250 -0.0031**	250 -0.0031	None
Independent Director	Min-Hsun Chen	429	429	0	0	0	0	40	40	469 -0.0058	469 -0.0058	0	0	0	0	0	0	0	0	469 -0.0058	469 -0.0058	None

22nd term																					
Job title	Name	Directors' remuneration								Sum of A, B, C, and D and their percentage in net income after tax		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G and as percentage of net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company.
		Remuneration (A)		Pension upon retirement (B)		Director's remuneration (C)		Business execution expenses (D)				Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee remuneration (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	Companies included into the financial statements	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Independent Director	Ming-Hui Li	500	500	0	0	0	0	40	40	540 -0.0067	540 -0.0067	0	0	0	0	0	0	0	0	540 -0.0067	540 -0.0067	None
Independent Director	Ying-Ta Tu	413	413	0	0	0	0	30	30	443 -0.0055	443 -0.0055	0	0	0	0	0	0	0	0	443 --0.0055	443 -0.0055	None

1. Please state the policies, systems, standards, and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration to the Company's independent directors.
2. is reviewed and recommended by the Compensation Committee. It then is submitted to the Board of Directors for resolution. The independent directors only receive monthly fixed remuneration and traveling expenses for attending meetings. The independent directors do not participate in the remuneration distribution of the Company's profits.
3. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees to an investment business): None.
4. On January 17, 2023, Shenyang Investment Co., Ltd. reappointed Chen No-Hua as a director; Chan Yi-Houg stepped down from the position of Chairman due to the re-appointed representative of the corporate director. As Mr. Chan served as an important chairman of a subsidiary in the financial report, his remuneration was accrued until August.
5. Chan Hao-Jun, who served as director until May 31, 2023. As Mr. Chan served as an important chairman of a subsidiary, his remuneration was accrued until December.
6. Independent director Tu Ying-Ta resigned on May 4, 2023; independent director Chen Min-Hsun was discharged on May 9, 2023.

December 31, 2023; Unit: NTD thousand

23rd term																					
Job title	Name	Directors' remuneration								Sum of A, B, C, and D and their percentage in net income after tax		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G and as percentage of net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company.
		Remuneration (A)		Pension upon retirement (B)		Director's remuneration (C)		Business execution expenses (D)				Wages, bonuses, and special allowances, etc. (E)		Pension upon retirement (F)		Employee remuneration (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	Companies included into the financial statements	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Baosheng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Liu Wei-Lung	**0**	**0**	**0**	**0**	**0**	**0**	**352**	**352**	**352 -0.0044**	**352 -0.0044**	**1,725**	**1725**	**0**	**0**	**0**	**0**	**0**	**0**	**2,077 -0.0257**	**2,077 -0.0258**	None
Director	Baosheng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Tai-Sheng Han	**0**	**0**	**0**	**0**	**0**	**0**	**352**	**352**	**352 -0.0044**	**352 -0.0044**	0	0	0	0	**0**	**0**	**0**	**0**	**352 -0.0044**	352 -0.0044	None
Director	Baosheng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Liu Huang-Chi	**0**	**0**	**0**	**0**	**0**	**0**	**352**	**352**	**352 -0.0044**	**352 -0.0044**	0	0	0	0	**0**	**0**	**0**	**0**	**352 -0.0044**	352 -0.0044	None
Director	Baosheng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Yang Wen-Ching	**0**	**0**	**0**	**0**	**0**	**0**	**352**	**352**	**352 -0.0044**	**352 -0.0044**	0	0	0	0	**0**	**0**	**0**	**0**	**352 -0.0044**	352 -0.0044	None
Director	Zhi Deng Investment Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: No-Hua Chen	**0**	**0**	**0**	**0**	**0**	**0**	**271**	**271**	**271 -0.0034**	**271 -0.0034**	0	0	0	0	**0**	**0**	**0**	**0**	**271 -0.0034**	271 -0.0034	None
Director	Hongqiang Co., Ltd.	0	0	0	0	0	0	**0**	**0**	**0**	**0**	0	0	0	0	**0**	**0**	**0**	**0**	**0**	0	
	Representative: Wang Tian-Sheng	0	0	0	0	0	0	**32**	**32**	**32 -0.0004**	**32 -0.0004**	0	0	0	0	**0**	**0**	**0**	**0**	**32 -0.0004**	32 -0.0004	
Director	Hongqiang Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
	Representative: Fu Chen-Hsiang	**0**	**0**	**0**	**0**	**0**	**0**	**240**	**240**	**240 -0.003**	**240 -0.003**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**240 -0.003**	240 -0.003	None
Independent Director	Chen Wei-Yu	670	670	0	0	0	0	95	95	765 -0.0095	765 -0.0095	0	0	0	0	0	0	0	0	765 -0.0095	765 -0.0095	None
Independent Director	Hsiao Sheng-Hsien	670	670	0	0	0	0	95	95	765 -0.0095	765 -0.0095	0	0	0	0	0	0	0	0	765 -0.0095	765 -0.0095	None
Independent Director	Huang Hui-Ping	670	670	0	0	0	0	90	90	760 -0.0094	760 -0.0094	0	0	0	0	0	0	0	0	760 -0.0094	760 -0.0094	None

1. Please state the policies, systems, standards, and structure of independent directors' remuneration, and, according to the responsibilities, risks, time invested and other factors, describe the relevance to the remuneration amount: The remuneration to the Company's independent directors is reviewed and recommended by the Remuneration Committee. It then is submitted to the Board of Directors for resolution. The independent directors only receive monthly fixed remuneration and traveling expenses for attending meetings. The independent directors do not participate in the remuneration distribution of the Company's profits.
2. Except as disclosed in the above table, the remuneration for the services provided for all companies in the financial report by the directors of the Company in the most recent year (such as consultants who are not employees to an investment business): None.
3. Re-election of directors took place at the extraordinary shareholders' meeting on May 31, 2023. Directors Chen Nuo-Hua and Wang Tian-Sheng took office on July 19, 2023.
4. Hongqiang Co., Ltd. reappointed Fu Chen-Hsiang as director, and Wang Tian-Sheng stepped down as director, effective on August 7, 2023.

(II)Remuneration to supervisors: Not applicable

(III) Remuneration to general managers and deputy general managers

December 31, 2023; Unit: NTD thousand

Job title	Name	Salary (A)		Pension upon retirement		Bonus and special expense account, etc. (C) (Note 3)		Remuneration to employees (D)				Sum of A, B, C, and D and their percentage in net income after tax (%)		Remuneration received from investee companies outside of subsidiaries or from the parent company.
								The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial report	
General Manager	Cheng-Ta Tsai	4,800	4,800	0	0	1,303	1,303	0	0	0	0	6,103 -0.0755	6,103 -0.0757	None
Vice General Manager	Max Lei	1,710	2,189	0	0	200	200	0	0	0	0	1,910 -0.0236	2,389 -0.0296	None
Vice General Manager	Li Shu-Hui	1,430	1,430	0	0	37	37	0	0	0	0	1,467 -0.0181	1,467 -0.0182	None
Vice General Manager	Niu An-Tse	961	961	0	0	26	26	0	0	0	0	987 -0.0122	987 -0.0122	None
Chief of Staff	Su Shou-Pin	1,442	1,442	0	0	32	32	0	0	0	0	1,474 -0.0182	1,474 -0.0183	None
Chief Technology Officer	Wang Tseng-Kun	79	79	0	0	38	38	0	0	0	0	117 -0.0014	117 -0.0015	None

Note 1: Deputy General Manager Li Shu-Hui took office on June 16, 2023.
Note 2: Deputy General Manager Max Lei transfer on July 26, 2023.
Note 3: Su Shou-Pin was appointed as the Chief of Staff on August 24, 2023, Niu An-Tse was newly appointed as Head of Marketing on August 24, 2023, and Wang Tseng-Kun was newly appointed as Chief Technology Officer on December 21, 2023

(IV) Remuneration of the top five highest paid executives

December 31, 2023; Unit: NTD thousand

Job title	Name	Salary (A)		Pension upon retirement		Bonus and special expense account, etc. (C) (Note 3)		Remuneration to employees (D)				Sum of A, B, C, and D and their percentage in net income after tax (%)		Remuneration received from investee companies outside of subsidiaries or from the parent company.
								The Company		All companies in the financial report				
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the financial report	
General Manager	Cheng-Ta Tsai	4,800	4,800	0	0	1,303	1,303	0	0	0	0	6,103 -0.0755	6,103 -0.0757	None
Vice General Manager	Max Lei	1,710	2,189	0	0	200	200	0	0	0	0	1,910 -0.0236	2,389 -0.0296	~~None~~
Chief of Staff	Su Shou-Pin	1,442	1,442	0	0	32	32	0	0	0	0	1,474 -0.0182	1,474 -0.0183	~~None~~
Vice General Manager	Li Shu-Hui	1,430	1,430	0	0	37	37	0	0	0	0	1,467 -0.0181	1,467 -0.0182	~~None~~
Vice General Manager	Niu An-Tse	961	961	0	0	26	26	0	0	0	0	987 -0.0122	987 -0.0122	~~None~~

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

December 31, 2023

	Job title	Name	Stock amount	Cash amount (NTD thousand)	Total (NTD thousand)	Proportion of total amount to net income after tax (%)
Manager	General Manager	Cheng-Ta Tsai	0	0	0	0%
	Vice General Manager	Max Lei				
	Vice General Manager	Li Shu-Hui				
	Vice General Manager	Niu An-Tse				
	Chief of Staff	Su Shou-Pin				
	Chief Technology Officer	Wang Tseng-Kun				

Note: The employee remuneration for managers has been approved by the Remuneration Committee, but not yet approved by the Board of Directors.

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

1. The total remuneration paid to the directors, supervisors, general managers and Deputy General Managers of the Company in the most recent two years accounts for the percentage of net income after tax of parent company only financial reports or individual financial reports:

Year	The Company		All companies in the consolidated statements	
	2022	2023	2022	2023
Total remuneration	NTD 243,982 thousand	NTD28,026 thousand	NTD 251,440 thousand	NTD 31,869 thousand
Percentage of net profit after tax	4.47%	-34.66%	4.59%	-39.52%

Note: The 2022 parent-only net income after tax is calculated at NTD 5,918,495 thousand; 2023 parent-only net income after tax is calculated at NTD -80,870 thousand.

2. Remuneration policies, standards and combinations, the procedures for setting remuneration, and the relevance to business performance and future risks:

(1) The remuneration of the directors of the Company is drafted in accordance with Article 19-1 of the Company's Articles of Incorporation. The Chairman and directors of the Company are remunerated when performing their duties in the Company. The Board of Directors is authorized to consider the recommendations on the Company's Remuneration Committee and follow the Chairman and the extent of individual directors' participation in the Company's operations and the value of their contributions agreed upon according to the industry's usual standards. In addition, if the Company has made a profit in the current year, according to the Company's Articles of Incorporation, less than 5% is allocated as directors' remuneration. The actual allocation ratio will be reviewed by the remuneration and will be submitted to the Board of Directors for a resolution. As for independent directors, their monthly fixed remuneration is determined by the Board of Directors, and they receive a fee for attending each board meeting; they do not participate in the distribution of remuneration when the Company makes a profit.

(2) The remuneration to the Company's general manager, Deputy General Manager and equivalent positions includes salary and bonus. The salary is determined based on industry standards, job title, rank, education, professional capabilities and responsibilities. The bonus is determined based on the performance evaluation of managers. The performance evaluation includes financial indicators (such as the achievement rate of the Company's revenue, profit before tax and profit after tax) as well as non-financial indicators (such as significant deficiencies in legal compliance and operational risks of their departments). The remuneration and bonus are approved in accordance with their contribution to the Company's overall operation, which are submitted to the Remuneration Committee for review.

(3) Employee remuneration policy, on the other hand is based on each employee's capabilities, contribution to the Company, performance, the market value of the employee's job position while taking into account the Company's future operational risks and business performances. There is no discrimination in the employee's age, gender, race, religion, political preference, marital status, or union. If the Company makes a profit in the current year, no less than 2% shall be allocated as employee remuneration in accordance with the Company's Articles of Incorporation. All employees who have served for two years can apply to join a shareholding trust. The overall remuneration to employees primarily consist of 3 components: basic fixed salary, bonus and benefits. The payment standards: basic fixed salary is determined based on the market rate of the position held by the employee; bonus is paid in connection with achievement of the employee and the Company's business performance, and annual recognition is given to the team or individuals with outstanding results; and the design of benefits for the employee to enjoy is based on the regulations of the law as well as the employee's needs.

IV. Corporate governance operations

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

The Board of Directors met 15 times during 2023 and up to the publication date of the annual report. The attendance of directors and supervisors is as follows:

Term	Job title	Name	Actual number of seats (B)	Number of delegates attending	Actual attendance rate (%)【B/A】	Remarks
22nd term	Chairman	Representative of Jing Xun Investment Industrial Corporation Limited: Chan Ching-Chao	5	0	100%	Stepped down on May 31, 2023
	Director	Shen Yang Investment Corporation Limited Representative: Chan Yi-Houg	0	0	0%	Stepped down on January 17, 2023
	Director	Shen Yang Investment Corporation Limited Representative: No-Hua Chen	5	0	100%	Took office on January 17, 2023
	Director	Hongqiang Co., Ltd. Representative: Hao-Jun Chan	5	0	100%	Stepped down on May 31, 2023
	Director	Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	4	0	80%	Stepped down on May 31, 2023
	Director	Representative of Long Bon International Co., Ltd.: Han Tai-Sheng	4	0	80%	Stepped down on May 31, 2023
	Independent Director	Chen Min-Hsun	4	0	80%	Stepped down on May 9, 2023
	Independent Director	Li Ming-Hui	5	0	100%	Stepped down on May 31, 2023
	Independent Director	Tu Ying-Ta	2	0	100%	Resigned on May 4, 2023
23rd term	Chairman	Representative of Baosheng Investment Co., Ltd.: Wei-Lung Liu	10	0	100%	Took office on May 31, 2023
	Director	Representative of Baosheng Investment Co., Ltd.: Han Tai-Sheng	8	2	80%	Took office on May 31, 2023
	Director	Representative of Baosheng Investment Co., Ltd.: Liu Huang-Chi	10	0	100%	Took office on May 31, 2023
	Director	Representative of Baosheng Investment Co., Ltd.: SHAO,MING-PIN	0	0	/	Took office on March 25, 2024
	Director	Representative of Baosheng Investment Co., Ltd.: Yang Wen-Ching	8	2	80%	Took office on May 31, 2023 Resigned on March 25, 2024
	Director	Zhi Deng Investment Co., Ltd. Representative: No-Hua Chen	5	1	80%	Volunteered on July 19, 2023
	Director	Hongqiang Co., Ltd. Representative: Wang Tian-Sheng	0	0	0%	Volunteered on July 19, 2023 and stepped down on August 7, 2023
	Director	Hongqiang Co., Ltd. Representative: Fu Chen-Hsiang	6	0	100%	Took office on August 7, 2023
	Independent Director	Hsiao Sheng-Hsien	10	0	100%	Took office on May 31, 2023 Resigned on March 13, 2024
	Independent Director	Chen Wei-Yu	10	0	100%	Took office on May 31, 2023
	Independent Director	Huang Hui-Ping	9	0	90%	Took office on May 31, 2023

Note: The actual attendance rate (%) is calculated based on the number of Board meetings held during active duty and the number of actual attendance.

Other matters to be recorded:

I. If the operation of the Board of Directors falls into one of the circumstances, the date and duration of the meeting, details of

proposals, the opinions of all independent directors and how the Company deals with such opinions:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company appointed independent directors and established the Audit Committee on April 25, 2016. In accordance with Article 14-5 of the Securities and Exchange Act, the Company is not subject to the provisions of Article 14-3 of the Securities and Exchange Act. Please refer to p.47 to 48 of this annual report for important resolutions of the Audit Committee in 2023 and as of the publication date of this annual report.

(II) Except for the preceding matters, any matter resolved by the Board of Directors with an independent director expressing an objection or reservation that has been included in records or stated in writing: Please refer to p.86 to 90 of this annual report: In 2023 and as of the publication date of the annual report, important resolutions of the Board of Directors and independent directors' opinions, and the Company's handling of independent directors' opinions:

II. Recusal of the Directors from motions involving their private interest, specify the names of the Directors, the content of the motions, the reason for recusal, and the participation in voting: Please refer to Note 1 on p.42 of this annual report.

III. TWSE / TPEx Listed Companies should disclose the evaluation cycle and period, assessment scope, method and evaluation content of the board's self (or peer) evaluation: Please refer to Note 2 on p.43 of this annual report.

IV. The objective for fortifying the function of the Board in the current year and the most recent year (e.g., setting up an audit committee, improving information transparency, etc.) and the assessment of the status of implementation:

(I) The Company established the Audit Committee on April 25, 2016.

(II) In 2023 and as of the publication date of the annual report, and in accordance with the Company Act, Article 14-3 of Securities and Exchange Act, the Company's proposals shall be submitted to the audit committee for approval or the resolution of the Board of Directors. After the approval of the audit committee, it is sent to the Board of Directors for resolution and implementation. It is not necessary to submit the proposal approved by the audit committee first, and then directly submit the resolution to the Board of Directors for implementation.

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

(IV) Enhance information transparency:

1. Since 2021, the Company has released all material information announcements in English.
2. Since 2021, the Company uploaded its English annual financial report 16 days before the Shareholders' Meeting.
3. Since 2021, the Company discloses its English interim financial report within 2 months after the filing of its Chinese interim financial report is due.
4. Starting in 2022, the Company uploads the annual report 18 days before the Shareholders' Meeting.

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

(I) The 12th and 13th meetings of the 22nd Board of Directors on May 5, 2023

Proposal for the distribution of remuneration to directors for 2022: Chairman Chan Ching-Chao recused himself from the motion due to conflict of interest, and Independent Director Li Ming-Hui served as the acting chair. Regarding the remuneration to directors, the attending directors: Chan Ching-Chao, Chan Hao-Jun, and Chen No-Hua recused themselves from the motion due to conflict of interest. The motion was unanimously approved by all directors present at the meeting at the inquiry of the acting chair; Independent Directors Liu Wei-Lung, Han Tai-Sheng, and Chen Min-Hsun did not participate in the discussion or resolution of this motion.

(II) 4th meeting of the 23rd Board of Directors on July 18, 2023

1. Suggestion on the remuneration of the independent directors of the 23rd term and the remuneration committee members: All three independent directors (Chen Wei-Yu, Hsiao Sheng-Hsien, and Huang Hui-Ping) recused themselves from the discussion and resolution of the motion due to conflict of interest. After consulting with the directors present at the meeting by the chair, the motion was passed.
2. Suggestion on the remuneration of the general directors of the 23rd term: Chairman Liu Wei-Lung recuse himself from the motion due to conflict of interest. The attending directors (Han Tai-Sheng, Liu Huang-Chi and Yang Wen-Ching) recused themselves from the discussion and voting of the motion due to conflict of interest. Considering the recusal principle, this motion was proposed by the human resources unit.
3. In terms of the suggestion on the remuneration to the chairman, after the acting chair Hsiao Sheng-Hsien consulted with directors present at the meeting (Chairman Liu Wei-Lung recused himself from the motion due to conflict of interest) the motion was passed.

(III) 7th meeting of the 23rd Board of Directors on November 13, 2023

To entrust the agricultural and animal husbandry land of the Company's Beidou farm, Changhua County to the Chairman of the Company and appointing an independent director to represent the land-related registration matters: Chairman Liu Wei-Lung recused himself from the discussion of the motion due to conflict of interest. Independent Director Chen Wei-Yu served as the acting chair. After consulting with the directors present at the meeting by the acting chair, the motion was passed.

(IV) 9th meeting of the Board of Directors of the 23rd term on January 23, 2024

Suggestion on year-end bonuses and distribution to managers for 2023: Deputy General Manager Li Shu-Hui, Audit Supervisor Liu Ssu-Pei, and Head of Management Hsiao Kai-Tse recused themselves from the meeting. The Head of HR Peng Pi-Chen made a report and was approved by all attending directors. The motion was passed as proposed.

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

Evaluation cycle	Evaluation period (Note 3)	Evaluation scope	Evaluation method	Evaluation content	Evaluation result
Once a year	2023/5/31 - 2023/12/31	Board of Directors	Self-evaluation of the Board of Directors	Covering five major aspects: 1. Degree of participation in the Company's operations 2. Improvements in the quality of board decisions 3. Composition and structure of the Board of Directors 4. Selection and continuing education of directors 5. Internal controls	(1) Overall evaluation results: In 2023, the Board of Directors, the internal self-evaluation of the Board members and the self-evaluation of the Functional Committees (including the Audit Committee and the Remuneration Committee), except for the performance evaluation result of the Board of Directors being "meeting the standard", the performance evaluation results of the internal self-evaluation of the Board members and the self-evaluation of the Functional Committees were “excellent”. (2) Most of the directors of this term have professional backgrounds in law, finance, operations management, etc., and have professional abilities in operations management, professional legal knowledge, crisis management, finance and economics, and international market outlook, demonstrating the effectiveness of diversification and complementarity. (3) In the future, the corporate governance unit will seek assistance and information from external professional institutions in accordance with the Company's Board Performance Evaluation Methods to enhance the operation of the Board of Directors. (4) The evaluation results were submitted to the Board of Directors on March 12, 2024.
	2023/5/31 - 2023/12/31	Individual Board Member	Self-evaluation of individual board members	Covering six major aspects: 1. Mastery of company goals and tasks 2. Awareness of directors' duties 3. Degree of participation in the Company's operations 4. Internal relationship management and communication 5. Professional and continuous education of directors 6. Internal controls	
	2023/6/16 - 2023/12/31	Audit Committee	Self-evaluation of Audit Committee	Covering five major aspects: 1. Degree of participation in the Company's operations 2. Recognition of the responsibilities of functional committees 3. Improvement in the decision-making quality of the Audit Committee 4. Composition of the functional committees and election of their members 5. Internal controls	
	2023/7/10 - 2023/12/31	Compensation Committee	Self-evaluation of Remuneration Committee		

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

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

Note 3: The Company re-elected all directors on 2022/5/31, and the 23rd Board of Directors was inaugurated on 2023/5/31; the 4th Remuneration Committee held its 1st meeting on 2023/6/16.

(II)The annual work focus of the Audit Committee:

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

1. The Audit Committee's powers and considerations mainly include:

(1) Establishing or amending the internal control system in accordance with the provisions of Article 14-1 of the Securities and Exchange Act.
(2) Evaluating the effectiveness of the internal control system.
(3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, to stipulate or amend the procedures for acquiring or disposing of assets, engaging in derivatives transactions, making loans to others, endorsing or providing guarantees for others, and procedure for major financial operations.
(4) Matters involving directors' own matters of interest.
(5) Transactions of major assets or derivatives.
(6) Significant capital loans, endorsements, or guarantees.
(7) Raising, issuing, or private placement of equity securities.
(8) Appointment, dismissal, or remuneration of certified public accountants.
(9) Assessment of qualifications and independence of certified public accountants.
(10) Appointment and removal of financial, accounting, or internal audit supervisors.
(11) Financial reports for Q1, Q2 and Q3 and the annual financial reports signed or sealed by the Chairman, managers and Accounting Supervisor.
(12) Self-evaluation questionnaires for audit committee performance evaluations.
(13) Other important matters specified by the Company or the competent authority.

Reviews of financial reports
The Board of Directors prepared the Company's 2023 annual business report, financial statements, and earnings distribution proposals, among which the financial statements were verified by CPAs of EY Taiwan, with a verification report issued. The above-mentioned business reports, financial statements, and profit distribution proposal have been checked by the audit committee and it was found that there are no discrepancies.

Assess the effectiveness of the internal control system
The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, compliance with laws and regulations). Furthermore, it reviews the Company's audit department, certified accountants, and management's regular reports, including risk management and compliance. With reference to the "Internal Control - Integrated Framework" published by The Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2013, the Audit Committee found the Company's risk management and internal control systems to be effective. The Company has adopted the necessary control mechanisms to monitor and correct violations.

Appointment of a certified public accountant
The audit committee is assigned the responsibility of supervising the independence of the certified public accounting firm to ensure the fairness of the financial statements.
On July 18, 2023, the Company's Audit Committee and Board of Directors' meeting reviewed and approved the appointment of CPAs. On the same day, it was assessed that both Lin Su-Wen and Yang Chi-Hui, CPAs of EY Taiwan, met the independence evaluation standards and were qualified to serve as the Company's CPAs for financial and tax matters.

2. Information on the operations of the Audit Committee:

In 2023 and as of the as of the publication date of the annual report, the Audit Committee met 10 times (A), and the attendance of independent directors is as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
3rd term	Independent Director	Chen Min-Hsun	3	0	100%	Stepped down on May 9, 2023
	Independent Director	Li Ming-Hui	3	0	100%	Stepped down on May 30, 2023
	Independent Director	Ying-Ta Tu	2	0	100%	Resigned on May 4, 2023
4th term	Independent Director	Hsiao Sheng-Hsien	7	0	100%	Took office on May 31, 2023 Resigned on March 13, 2024

	Independent Director	Chen Wei-Yu	7	0	100%	Took office on May 31, 2023
	Independent Director	Huang Hui-Ping	7	0	100%	Took office on May 31, 2023

Note: The actual attendance rate (%) is calculated based on the number of Audit Committee meetings held during active duty and the number of actual attendance.

Other matters to be recorded:

I. For Audit Committee meetings that meet any of the following descriptions, state the date and session of the Audit Committee meeting held, the discussed topics, the content of the objections, reservations or material recommendations on independent directors, the Audit Committee's resolution, and how the company has responded to Audit Committee's opinions.
   (I) Matters listed in Article 14-5 of the Securities and Exchange Act.
   (II) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than two-third of the Directors.
   For the above (I) and (II), please refer to pages 47 to 48 of this annual report, important resolutions of the Audit Committee in 2023 and as of the publication date of this annual report.

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

III. The communication between the independent director and the internal audit supervisor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered):
   1. Communication principle: The Company's internal audit supervisor shall convene a separate meeting with the independent directors at least once a year, and regularly reports the audits to the members during the Audit Committee meeting, communicates the audit report results, and tracks the implementation of the report.
   2. Communication status: The independent directors of the Company have good communication with each other regarding the performance of the audit.
   3. The communication between independent directors and the internal audit supervisor in 2023 is summarized as follows:

Date	Communication meeting	Communication matters	Communicate results
2023/3/31	Audit Committee	1. Tracking report of the audit results for Q4 2022 2. Motion for review of the Company's internal control self-evaluation results.	No comments at this meeting Reported to the board of directors for resolution
2023/5/5	Audit Committee	2022 project review report of the investment cycle internal control system	This motion, with consent of at least one-half of all members of the Audit Committee, was submitted to the Board of Directors for resolution.
2023/7/18	Audit Committee	1. Reported the results of audits for Q1 and Q2 2. Report on the improvement of irregularities in 2022	No comments at this meeting Reported to the Board of Directors
2023/11/13	Audit Committee	Reported the results of audits for Q3	No comments at this meeting Reported to the Board of Directors
2023/12/21	Audit Committee	Review of the motion for 2024 audit plan	No comments at this meeting Reported to the board of directors for resolution

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

Date	Communication matters	Communicate results
2023/8/11	1. Communication with corporate governance units and management 2. Updates of Securities and Exchange Act	No comments at this meeting

3. Important resolutions of the Audit Committee in 2023 and as of the publication date of the annual report:

Date/Meeting	Important resolutions	Resolution result	The Company's handling of the audit committee's opinions
2023/3/31 3rd term 9th meeting	1. Tracking report of the audit results for Q4 2022 2. Motion for convener and chair of the Company's Audit Committee meetings 3. Motion for review of the Company's 2022 business report and financial statements 4. Motion for change of the internal audit supervisor. 5. Motion for review of the Company's internal control self-evaluation results 6. Motion for general principles for the Company's pre-approval of non-assurance service policies	After consulting with the members present at the meeting, the motion was passed.	Submitted to the Company's Board of Directors for resolution
2023/4/20 3rd term 10th meeting	1. Motion for the Company's 2022 earnings distribution 2. Motion for equity investment 3. Motion for of adding a new water packaging plant	Motion 1: After the chair consulted the members present, and member Chen Min-Hsun expressed dissenting opinion, committee members Tu Ying-Ta and Li Ming-Hui approved the motion. The motion was passed as proposed. Motions 2 and 3: With the consent of Independent Director Li Ming-Hui, member of the Audit Committee, the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution
2023/5/5 3rd term 11th meeting	1. Motion for financial statements for Q1 2023. 2. Motion for discussion of earnings distribution for Q1 2023 3. Motion for 2022 project review report of the investment cycle internal control system	Motions 1 and 2: With the consent of the 2 members of the Audit Committee, the motion was passed as proposed. Motion 3: The motion was approved as proposed by more than one-half of all Audit Committee members.	Submitted to the Company's Board of Directors for resolution
2023/6/16 4th term 1st meeting	1. Election of the convener and chair of the Company's 4th Audit Committee 2. Motion for appointment of the Company's Finance Officer	Motion 1: The motion was approved by all committee members present. Independent director Chen Wei-Yu was elected as the convener and chair of the 4th term of the Audit Committee.	
		Motion 2: After the chair consulted all the members present, 2 members voted in favor and 1 with qualified opinion (Independent Director Huang Hui-Ping), and the motion was passed after the discussion.	Submitted to the Company's Board of Directors for resolution
2023/7/18 4th term 2nd meeting	1. Implementation of audit operations for Q1 and Q2 2023 and report for improvement of irregularities in 2022 2. Motion for appointment and remuneration of the Company's CPAs	After consulting with the members present at the meeting, the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution
2023/8/11 4th term 3rd meeting	1. Motion for financial report for Q2 2023 2. Motion for earnings distribution for 2023 Q2	Motion 1: After the chair consulted all the members present, 2 members voted in favor and 1 with qualified opinion (Independent Director Huang Hui-Ping), and the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution

Date/Meeting	Important resolutions	Resolution result	The Company's handling of the audit committee's opinions
		Motion 2: After consulting with the members present at the meeting, the motion was passed.	
2023/11/13 4th term 4th meeting	1. Implementation and follow-up of audit operations in Q3 2023 2. Motion for financial report for Q3 2023 3. Motion for earnings distribution for 2023 Q3 4. Motion for entrusting the Company's chairman to register the agricultural and animal husbandry land acquired by the Company more than ten years ago; and appointing an independent director to handle the land-related registration matters 5. Motion for the change of accounting supervisor	After consulting with the members present at the meeting, the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution
2023/12/4 4th term 5th meeting	1. In the case concerning the invalidity of the Board of Directors' resolutions confirmed by the Shang-Su-Zi No. 16 of the Intellectual Property Court in 2023 between the Company and Long Bon International Co., Ltd.: Due to the problems derived from being the same legal representative, it was proposed that an Audit Committee member should elect a member to act as the Company's legal representative in the litigation pursuant to Article 14-4 of the of the Securities and Exchange Act. 2. The Company intends to file a criminal complaint against the current Director, Chen No-Hua, for breach of trust and violation of the Securities and Exchange Act	Motion 1: All committee members elected Chen Wei-Yu, the convener of the Audit Committee, as the Company's legal representative Motion 2: With 2 votes in favor and 1 vote (independent director Huang Hui-Ping) against of all members present, the motion was passed as proposed, and the committee members elected Independent Director Chen Wei-Yu, the Convener of the Audit Committee, as the Company's legal representative	
2023/12/21 4th term 6th meeting	1. 2024 annual audit plan. 2. Motion for appointment of the audit supervisor.	After consulting with the members present at the meeting, the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution
2024/3/12 4th term 7th meeting	1. Q4 2023 audit plan implementation and follow-up and 2023 internal control self-assessment implementation and deficiency status report 2. Motion for 2023 business report and financial statements. 3. Motion for the Company's 2023 earnings distribution. 4. Motion for the Company's 2023 "Statement of Internal Control System". 5. Motion for appointment and remuneration of the Company's CPAs. 6. Motion for formulation of general principles for the Company's pre-approval of non-assurance service policies.	After consulting with the members present at the meeting, the motion was passed as proposed.	Submitted to the Company's Board of Directors for resolution

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

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
I. Has the Company prepared and disclosed the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		On December 10, 2015, the Company formulated the "Corporate Governance Best Practice Principles" with reference to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies". The formulation and amendments of the "Corporate Governance Best Practice Principles" are approved by the Board of Directors and the full provisions disclosed on the Company's website. For full text, please refer to Taisun's official website/investor area/corporate governance/important regulations: http://www.taisun.com.tw/investor/important-regulations/	None
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company established its internal operation procedure for responding to the suggestions, queries, disputes, and legal actions of the shareholders in accordance with the procedure?	✓		(I) The Company has established internal procedures in accordance with the Corporate Governance Best Practice Principles. The Legal Department is in charge of handling shareholders' queries, disputes, and litigation matters. In addition, the Company has a spokesperson and an acting spokesperson, and has set up an investor section on the Company's website and investor email: taisunir@taisun.com.tw, establishing a communication channel with shareholders.	None
(II) Has the Company kept the list of the dominant shareholders that exercise de facto control of the Company and the parties that exercise ultimate control of these dominant shareholders under control?	✓		(II) The Company's stock agency keeps up to date on major shareholders and their ultimate controllers via the shareholder registry, and regularly reports changes in insider ownership. In addition, we also have a unit set up responsible for investor relations to maintain good interactions with major shareholders.	None
(III) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	✓		(III) There are established methods to control the transaction management, endorsement guarantees, capital loans, etc. between the Company and its affiliated companies. In addition, according to the "Regulations Governing Establishment of Internal Control Systems by Public Companies", there is a function for "Supervision and Management of Subsidiaries", to implement the risk control mechanisms for subsidiaries.	None
(IV) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	✓		(IV) The Company has established the "Procedures for Ethical Corporate Management and Guidelines for Conduct" and the "Procedures for the Prevention of Insider Trading" which are disclosed on the company website. At least one session of education on related laws per year is carried out on the current directors, managers and employees. The courses we provide cover confidentiality of material information, and causes of insider trading, examples of transactions and Procedures for Ethical Management and Guidelines for Conduct.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			In 2023, we provided ethical corporate management related topics for trainings, external education and trainings, and awareness promotion (covering “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct”), with total participation of 1,322 employees, totaling 1,322 hours.	
III. The composition and responsibilities of the Board of Directors (I) Has the Board of Directors formulated a diversity policy, specific management objectives and are they implemented?	✓		(I) The Company has formulated a policy for diversity of board members and specific management objectives: Article 20 of the Company's “Corporate Governance Practices” clearly stipulates the diversity policy - the composition of the Board of Directors shall take into account the Company’s business development scale and the shareholding situation of the major shareholders while measuring practical needs. The consideration and selection of director candidates shall be based on a diversity guideline in measuring their professional backgrounds, academic (work) experience and integrity or relevant professional qualifications. The members of the 23rd Board of Directors are licensed professional attorneys and accountants, and have many years of professional experience in finance and operations management. There are 9 directors and 3 independent directors on the Board who put into play their management decision and supervisory functions. For details on the implementation of diversity in the Board of Directors, please refer to p. 33 to 34 of this annual report.	None
(II) Has the Company voluntarily established other functional committees further to the establishment of a Compensation Committee and auditing committee?	✓		(II) We have established a Remuneration Committee and Audit Committee. The Chairman is an ESG Committee member, and the general manager and first-level supervisors supervise an manage the ESG Committee. Human Resources Arbitration Committee, Pension Supervisory Committee, Employee Welfare Committee, Occupational Safety and Health Committee, Food Safety Center, Ethical Management Unit and Corporate Governance Unit have also been established.	None
(III) Has the company formulated the board's performance evaluation method and evaluation method, conducted performance evaluation annually and regularly, and reported the results of the performance evaluation to the board of directors, and applied it to individual directors' remuneration and nomination renewal?	✓		(III) In a bid to implement corporate governance and enhance the functions of the Board of Directors, the Company's Board of Directors approved the “Board Performance Evaluation Methods” on February 27, 2020. The evaluation scope includes the Board of Directors as a whole, board members, Audit Committee and Remuneration Committee. The evaluation methods are: internal self-evaluation of the Board of Directors, internal self-evaluation of the board members, internal self-evaluation of the Audit Committee and internal self-evaluation of the Remuneration Committee. The Company’s Agenda Working Group is responsible for the execution of these evaluations at the end of the year, and the results will be reported to the Board of	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			Directors. The 2023 annual performance evaluation results were reported to the Board of Directors on March 12, 2024. Please refer to p.43 of this annual report.	
(IV) Does the Company assess the independence of CPAs on an annual basis?	✓		(IV) The Company shall assess the independence and suitability of the CPAs once a year: 1. The independence evaluation items are listed with reference to Article 47 of the Certified Public Accountant Act and Bulletin of Norm of Professional Ethics for Certified Public Accountant No. 10 "Integrity, Impartiality, Objectivity and Independence". 2. In 2023, in addition to the "CPA Independence Statement" (Note 2), we also obtained the "Audit Quality Indicators (AQIs)" issued by CPAs for reference in assessing the independence and suitability of CPAs. 3. The evaluation results were submitted to the Audit Committee for review and then to the Board of Directors for discussion; the evaluation results of the most recent two years were reported to the Board of Directors on July 18, 2023 and March 12, 2024 for reference in appointing CPAs. 4. Evaluation results: CPAs Lin Su-Wen and Yang Chi-Hui of Ernst & Young Taiwan both meet the independence evaluation criteria of the Company (Note 1) and are qualified to act as the Company's CPAs. (Please refer to p.57 to 58 of this annual report for Note 1 and Note 2).	None
IV. Is the TWSE / TPEx listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?	✓		To enhance corporate governance, on July 10, 2023, the Company's Board of Directors resolved to appoint Li Shu-Hui, deputy manager of the Finance Department, as the Company's Corporate Governance Manager to protect shareholders' rights and interests and strengthen the functions of the Board of Directors. Deputy manager Li Shu-Hui has many years of experience in financial operations, stock affairs and corporate governance related affairs of public companies. (Note: Corporate Governance Manager, Mr. Yan Gu-Long, resigned on June 16, 2023; Deputy General Manager, Li Shu-Hui, was appointed as the new Corporate Governance Manager on July 10, 2023. I. Corporate Governance Manager's main responsibilities: 1. Handling of matters relating to Board of Directors meetings and shareholders meetings in compliance with law; 2. Preparation of minutes of the Board of Directors meetings and shareholders meetings; 3. Assistance in onboarding and continuing education of the directors; 4. Provision of information required for performance of duties by the directors; 5. Assistance in the directors' compliance of law; and 6. Other matters described or established in the articles of incorporation or under	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			contract. II. Highlights of business execution in 2023: 1. Assist independent and general directors to execute their duties, provide necessary information and arrange continuing education for directors. (1) Provide the board members with the latest amendments to the laws and regulations related to the Company's business filed as well as corporate governance at the time of appointment. These amphetamines shall be updated on a regular basis. (2) Review the confidentiality level of related information and provide necessary company information to the Board of Directors. Maintain smooth communication and engagement with directors and business managers. (3) According to the “Corporate Governance Practices”, independent directors shall provide assistance in arranging meetings with the Internal Audit Supervisor or CPAs when necessary, in order to understand the Company's financial operations. (4) Assist in proposing annual education plans and arranging courses for independent directors and general directors according to the industrial characteristics and the director’s education (experience) background. 2. Assist in Board of Directors and shareholders regarding matters of meeting procedures and legal compliance: (1) Report to the Board of Directors, independent directors and the Audit Committee on the state of the Company's corporate governance operations and ensure whether the shareholders’ meeting and the Board of Directors’ meeting are convened in accordance with relevant laws and corporate governance codes. (2) Assist and remind directors of the laws and regulations to be complied with when carrying out business or making formal resolutions for the board meeting, and make suggestions when the Board of Directors are about to make unlawful resolutions. (3) Responsible for reviewing the release of material information with respect to important resolutions of the Board of Directors to ensure the legality and correctness of the content in order to protect the equality of trading information for investors. 3. Notify the Board of Directors of the agenda of the board meeting 7 days in advance, convene the meeting, and provide the meeting information. Directors	

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			must be reminded beforehand in the event of a conflict of interest, and the board meeting minutes must be completed within 20 days after the meeting. 4. Pre-register the date of the shareholders' meeting, and compiling of the meeting notice, meeting handbook and meeting minutes within the statutory period, as well as matters in relation to registration of changes and amendments to articles of incorporation or the election of directors. III. Further education on corporate governance for Corporate Governance Manager: Please refer to p.60 of the annual report	
V. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	✓		The Company has established a spokesperson system, and set up a CSR section and a stakeholder section on the Company's website. The Company's contact mailbox, the Ethics Reporting Mailbox, the 0800 Consumer Service Hotline, and the contact information for shareholders, the media, finances, sponsorships, OEMs, and product ordering are available on the Company's website. By doing so, we are able to communicate with stakeholders, such as investors, banks, employees, consumers, suppliers, distributors, and the media, while at the same time appropriately responding to the important CSR issues of concern to the stakeholders. Stakeholder contact information and feedback: TEL: Ms. Liu, Public Relations Department, (02)2506-4152 ext 9203 Fax: (02)2506-4156 E-mail: CSR@taisun.com.tw	None
VI. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	✓		The Company appointed the Transfer Agency Department of Yuanta Securities Co., Ltd. to handle the affairs of the shareholders meeting.	None
VII. Information disclosure (I) Has the Company installed a website for the disclosure of information on financial position and operation, as well as corporate governance?	✓		(I) The Company has a website (URL: http://www.taisun.com.tw) In the investor area, relevant financial business and corporate governance information have been disclosed in detail.	None
(II) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of ae spokesman system, and videotaping institutional investor conferences)?	✓		(II) Other means of information disclosure: 1. The Company's official website has added English and Japanese web pages. 2. In addition, in accordance with the "Corporate Governance Best Practice Principles", the Company has set up a dedicated unit to manage the information collection and online disclosure of information. 3. Implement the spokesperson system and appoint one spokesperson and one acting spokesperson.	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			4. The proceedings of the investor conference are disclosed on the Company's website: http://www.taisun.com.tw/investor/legal-person-info/	
(III) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	✓		(III) The Company regulates announcements according to laws and directives and declares them to the competent authority: 1. In March 2024, the Company announced its annual financial report for 2023, which was audited by the CPAs, approved by the Board of Directors and acknowledged by the Audit Committee. 2. Within forty-five days after the close of the first, second, and third quarters of each fiscal year, public announcements and filing of the financial statements shall be signed or sealed by the Chairman, managers, and accounting supervisor which shall be reviewed by the CPAs, and reported to the Board of Directors. 3. Before the tenth day of each month, announce and report the operating conditions of the previous month.	None
VIII. Does the Company have other important information helpful for understanding of the corporate governance operations (including but not limited to the rights and interests of employees, employee care, investor relations, supplier relationships, rights of stakeholders, continuing education for directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, liability insurance for directors and supervisors taken out by the Company, etc.)	✓		(I) For the corporate governance practices of the Company, please refer to the disclosure on the Company's official website: https://www.taisun.com.tw/corporate/corporate-governance-practices/ (II) The Company prepares the ESG report every year. The non-financial information of previous years is announced in the "ESG Report" in accordance with the regulations, and the implementation status is explained. Please visit the Company's website: https://www.taisun.com.tw/corporate/calendar- year-report/ (III) Employee rights and care: The Company values labor-management harmony and creates a safe and healthy working environment. Please refer to the Company's website: https://www.taisun.com.tw/corporate/calendar-year-report/ (IV) Investor Relations: The Company continues to maintain good interaction with investors. In addition to the shareholders' annual general meeting, we also communicated with investors through correspondences and visits from time to time. Furthermore, it provides investors' feedback to the Company's senior management and related units for reference for improvement and adjustment. In the future, the Company will continue to strengthen investor relations and maintain good communication and exchanges with investors. (V) Supplier relationships: The Company has established "Qualified Supplier Assessment and Evaluation and Coaching Implementation". From purchasing to leaving the factory, food safety is the priority consideration, and the source of raw materials in the supply chain is emphasized. Each raw material item needs to be inspected again before it enters the factory for manufacturing. Annual sampling is	None

Evaluation items	Operating status			Differences from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			also carried out each year to decide whether cooperation shall be continued. Please refer to the Company's website: https://www.taisun.com.tw/corporate/food-safety/ (VI) Stakeholder communication: Provide diverse communication channels and information disclosure, maintain good dialogue and communication with stakeholders, and collect stakeholders' issues of concern. Please refer to the Company's website: https://www.taisun.com.tw /corporate/stakeholder/ (VII) Implementation of customer policy: The Company has a dedicated 0800 consumer service hotline for customers and shops to acquire about products. By doing this, we are able to handle complaints from consumers and customers in a proactive approach, (all outlets) so as to protect consumer rights. (VIII) Continuing education of directors and managers: The Company's directors and managers are equipped with relevant professional knowledge, and further education in accordance with relevant laws and regulations may be arranged according to actual needs. For continuing education of the 23rd Board of Directors in 2023, please refer to Note 4 on p.59 of this annual report. (IX) Implementation of risk management policies and risk measurement standards: The Company’s major proposals regarding operating policies, investments, endorsements, capital loans, and bank financing have been evaluated and analyzed by the responsible departments and implemented in accordance with the resolutions of the Board of Directors. The Audit Division also drafted its annual audit plan based on the risk assessment results and implemented it. We implement internal control mechanisms and control the implementation of various risk management measures. (X) The Company has purchased liability insurance for all directors, and disclosed the information on the corporate governance section of the Market Observation Post System.	

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

IX. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year.

(Those who are not included in the evaluated company need not be filled in)

1. The Company will continue to improve corporate governance. In response to the lack of scores in the 2022 "Corporate Governance Evaluation" indicators, the planning and description are as follows:

Item	Aspect	Improve the status
1	Strengthen the structure and operation of the Board of Directors	1. An intellectual property management plan linking to operational goals has been established. 2. The rest are yet to be assessed and the future improvement plan studied.
2	Promote sustainable development	1. Obtained ISO14064-1 Greenhouse Gas Emission Carbon Inventory Certification in June 2022. The next goal is to obtain GHG emission verification. 2. Preparation of the English version of the Sustainability Report every year since 2021. 3. Further discussion will be conducted depending on the Company's future strategic direction.

2. The Company's "Corporate Governance Evaluation" indicators have not been improved in 2023. The priority enhancements are as follows:

Item	Aspect	Priorities and measures to be strengthened
1	Strengthen the structure and operation of the Board of Directors	1. The target shareholders' meeting will be held before the end of May. 2. Target more than half of the directors and Audit Committee convener to attend the shareholders' meeting in person. 3. It is expected to promote the selection of external evaluation institutions to perform external evaluations in the future.
2	Enhance information transparency	1. Publish the annual financial report audited and certified by the CPA within two months after the end of the target fiscal year. 2. Shareholding changes of insiders in the previous month are uploaded to the Market Observation Post System before the 10th (inclusive) of each month. 3. The target is invited to (voluntarily) hold at least two investor conferences, and the interval between the first and last two investor conferences of the year is at least 3 months.
3	Promote sustainable development	The 2022 ESG was based on the Task Force on Climate-Related Financial Disclosures (TCFD) to disclose information on Taisun's governance, strategies, risk management, indicators and goals for climate-related risks and opportunities, as well as the top ten issues in the short to medium term. For details, please see p.60 to 67 of the 2022 ESG Report.

Note 1: 2023 annual CPA independence and competency evaluation

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

Note: When assessing the suitability and independence of the CPAs, the Company needs to review and evaluate the Audit Quality Indicators (AQIs) provided by the accountants, including 5 major aspects, namely: professionalism, independence, quality control, supervision, innovation ability, etc. The 13 indicators roughly cover the items that are critical to the audit quality in order to assist the Company's Audit Committee to more effectively and objectively evaluate the audit quality of the CPA firm and the audit team in the course of selecting CPAs.

Note 2: Statement from Ernst & Young

EY安永
Building a better working world

安永聯合會計師事務所
11012 台北市基隆路一段333號9樓
9F, No. 333, Sec. 1, Keelung Road
Taipei City, Taiwan, R.O.C.
Tel: 886 2 2757 8888
Fax: 886 2 2757 6050
www.ey.com/taiwan

CPA Independence Statement

To: Board of Directors and Audit Committee of Taisun Enterprise Co., Ltd.

This statement is made in accordance with the provisions of Taiwan's auditing standards, with respect to the audit of the 2023 consolidated financial statements, and is an annual communication on the independence of the CPAs.

Pursuant to Taiwan's auditing standards, CPAs shall provide the governance unit with a statement that the personnel of the independent firm to which the accountants belong, and the firm and the alliance firm have abide by the requirements of the Code of Ethics for Certified Public Accountants with respect to independence, and communicate all relationships and other matters (including related protective measures), which could be perceived as affecting the CPA's independence.

Based on our professional judgment, we are not aware of the existence of relationships and other matters between our firm or our alliance firm and the Company that may be considered to affect our independence.

This statement is provided solely for the reference of the Board of Directors, Audit Committee, management and other personnel of the Company and shall not be used for any other purpose.

Regards,

Ernst & Young Taiwan

CPA: Lin Su-Wen

Yang Chih-Hui

July 18, 2023

Note 3: Stakeholder identity, issues of concern, and communication channels:
Please visit: https://www.taisun.com.tw/corporate/stakeholder/
Note 4: Continuing education of the 23rd Board of Directors in 2023:

Name	Date of education	Organizer	Course name	Hours	Compliance (Note)
Wei-Lung Liu	2023/7/4	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Financial Transformation Summit	6 hours	Yes
Han Tai-Sheng	2023/5/19	Accounting Research and Development Foundation of the Republic of China	Analysis of the Latest Corporate Governance Policies and Common Deficiencies	3 hours	Yes
	2023/5/25	Accounting Research and Development Foundation of the Republic of China	Business Tax Laws and Practices	3 hours	
Liu Huang-Chi	2023/5/19	Taiwan Corporate Governance Association	Business Secret Protection and Non-competition	3 hours	Yes
	2023/6/29	Corporate Management and Sustainable Development Association of the Republic of China	Issues Related to Carbon Reduction and Its Ifrs Accounting Treatment	3 hours	
	2023/8/18	Taiwan Corporate Governance Association	Big Data Analysis and Fraud Prevention	3 hours	
	2023/11/17	Taiwan Institute of Directors	How to Implement TCFD From the Perspective of the Board of Directors	3 hours	
Yang Wen-Ching	2023/10/3	The Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officer Practices "Carbon Trading Mechanism, Carbon Management Application and Resource Circulation"	3 hours	Yes
	2023/11/17	The Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Discussion on Practice of Money Laundering Prevention and Combating Cyber Terrorism	3 hours	
Chen No-Hua	2023/9/15	Taiwan Corporate Governance Association	What Is a Board Meeting About? Sharing of Practices on Common Defects in Board Meetings and Operations of TWSE and TPEX Listed Companies	3 hours	Yes
	2023/10/4	The Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Officers - How to Review Financial Reports by Directors and Supervisors without Background in Finance and Accounting	3 hours	
	2023/10/27	Taiwan Corporate Governance Association	Family Charter and Family Office	3 hours	
	2023/10/31	Taiwan Corporate Governance Association	Analysis of Practical Cases of Voting by Foreign Investors, Responsibilities of Directors and Supervisors in International Thinking	3 hours	
Fu Chen-Hsiang	2023/9/20	The Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Analysis of Common Violations of the Securities and Exchange Act	3 hours	Yes
	2023/10/06	The Securities and Futures Market Development Foundation of the Republic of China	Advanced Seminar on Best Practices for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Corporate Whistleblower Protection and Establishment of Whistleblower System	3 hours	
Hsiao Sheng-Hsien	2023/4/21	Taiwan Corporate Governance Association	How Will the Board of Directors Formulate ESG Sustainable Governance Strategies in 2023	3 hours	Yes
	2023/5/30	Taiwan Corporate Governance Association	Emerging Enterprise Risks: Climate Change	3 hours	
Chen Wei-Yu	2023/10/11	National Federation of CPA Associations of ROC	Enhance Information Security Literacy and Personal Data Protection	3 hours	Yes
	2023/10/23	National Federation of CPA Associations of ROC	The Latest Trend and Business of Anti-contamination	3 hours	
Huang Hui-Ping	2023/7/26	The Securities and Futures Market Development Foundation of the Republic of China	Common Deficiencies of "Financial Report Review" and Practical Analysis of Important Internal Control Regulations	6 hours	Yes
	2023/8/17	The Securities and Futures Market Development Foundation of the Republic of China	How to Analyze Key Financial Information to Strengthen Crisis Early Warning	6 hours	

Note: Whether the hours, scope, system, arrangement and information disclosure of continuing education as stipulated in the "Directions for the Implementation of Continuing Education for Directors of TWSE Listed and TPEx Listed Companies" are met.

Continuing education of managers in 2023:

Name	Date of education	Training theme	Hours
Li Shu-Hui (Corporate Governance Manager)	2023/9/20	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Analysis of Common Violations of the Securities and Exchange Act	3 hours
	2023/10/5	Seminar on Best Practices for Directors, Supervisors (including independent directors) and Corporate Governance Officers - Introduction to short-term trading by insiders and case studies	3 hours
	2023/10/13	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Carbon Trading Mechanism and Its Application in Corporate Management	3 hours
	2023/10/17	Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Officer Practice - Risks and Opportunities of Climate Change and Net Zero Emission Policy	3 hours
	2023/10/23	Utilize "IP Management" to Improve Corporate Governance and Compliance with Internal Control Laws	6 hours
Gu-Long Yan (Accounting Supervisor)	2023/12/2	Impacts of Global Net Zero Emissions and ESG Actions	3 hours
	2023/12/5	ESG Information Disclosure Trends and Regulations Related to the “Action Plan for the Sustainable Development of Listed Companies and TWSE/TPEX Listed Companies”	3 hours
	2023/12/26	The Latest “ESG Sustainability” and “Self-Preparation of Financial Statements” Related Policy Development and Internal Control Management Practices	6 hours
Kai-Tse Hsiao (Accounting Supervisor)	2023/7/20	Business Tax Laws and Practices	3 hours
	2023/7/21	Legal Liability of “Tax Crime” and Case Study	3 hours
	2023/7/31	The Latest “ESG Sustainability” and “Self-Preparation of Financial Statements” Related Policy Development and Internal Control Management Practices	6 hours
Liu Ssu-Pei (Supervisor of Audit)	2023/12/4	Production Cycles Practices and Audit Focus	6 hours
	2023/12/18	Seminar on "Information Security Protection" and "Cloud-based Security" Audit Practice	6 hours
Hsu Hsin-Hsiang (Supervisor of Audit)	2023/7/20	Case Analysis of Illegal Law by Auditing/Financial and Accounting Personnel and Response Measures	6 hours
	2023/9/7	Seminar on "Information Security Protection" and "Cloud-based Security" Audit Practice	6 hours

Note 1: Corporate Governance Manager: Liu Wei-Chen resigned on 2023/3/17; Yan Gu-Long took office on 2023/3/31; Yan Gu-Long resigned on 2023/6/16, and Li Shu-Hui took office on 7/10 2023.

Note 2: Accounting supervisor: due to duty adjustment of Hsiao Kai-Tse on 2023/11/13, new accounting supervisor, Yan Gu-Long, took office on 2023/11/13.

Note 3: Audit Supervisor: Tsai Yi-Fang retired 2023/3/31; Hsu Hsin-Hsiang took office on 2023/3/31; Hsu Hsin-Hsiang’s duties were adjusted on 2023/12/21 and Liu Ssu-Pei was appointed as the Audit Supervisor.

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

1. Information of Remuneration Committee Members

Identity / Condition / Name				Professional Qualifications and Experience	State of Independence	Number concurrently serving as members of the Compensation Committees of other publicly issued companies
5th term	Convener	Independent Director	Ming-Hui Li	Note 1	Note 2	0
	Committee member	Independent Director	Min-Hsun Chen			0
	Committee member	Independent Director	Ying-Ta Tu			0
6th term	Convener	Independent Director	Hsiao Sheng-Hsien	Note 1	Note 2	1
	Committee member	Independent Director	Chen Wei-Yu			2
	Committee member	Independent Director	Huang Hui-Ping			0

Note 1: For length of service, professional qualifications and experience of members of the 5th and the 6th Remuneration Committee who are independent directors, please refer to p,21 (I) Information on directors and supervisors and p.27- 4. professional qualifications and independence of directors.

Note 2: For independence of members of the 5th and the 6th Remuneration Committee who are independent directors, please refer to 4. Professional qualifications and independence of directors on p.27- 4. Therefore, taking into account the description of this section, the Company believes that the members of the Remuneration Committee are independent of the Company.

Note 3: Member Tu Ying-Ta resigned on 2023/5/4. Chen Min-Hsun stepped down on 2023/5/9.

2. Information on the function of the Remuneration Committee

(1) There are 3 members in the 5th Remuneration Committee. Term of office: From December 16, 2021 until the term of the Board of Directors ends.From January 1, 2023 to May 20, 2023, the Remuneration Committee held 3 meetings (A). The qualifications and attendance of the members are as follows:

(2) There are 3 members in the 6th Remuneration Committee. Term of office: From July 10, 2023 until the term of the Board of Directors ends.From July 10, 2023 up to the publication date of the annual report, the Remuneration Committee held 6 meetings (A). The qualifications and attendance of the members are as follows:

Term	Job title	Name	Actual attendance (B)	Number of delegates attending	Actual attendance rate (%) (B/A)	Remarks
5th term	Convener	Ming-Hui Li	3	0	100%	Committee member Tu Ying-Ta resigned on 2023/5/4; Chen Min-Hsun stepped down on 2023/5/9.
	Committee member	Ying-Ta Tu	3	0	100%	
	Committee member	Min-Hsun Chen	3	0	100%	
6th term	Convener	Hsiao Sheng-Hsien	6	0	100%	Appointed on 2023/7/10
	Committee member	Chen Wei-Yu	6	0	100%	
	Committee member	Huang Hui-Ping	6	0	100%	

Other matters to be recorded:

I. If the Board of Directors disapproves or amends the recommendations from the Compensation Committee, it shall state the date and duration of the meeting of the Board of Directors, details of proposals, the results of the resolutions of the Board of Directors and how the Company deals with the opinions of the Compensation Committee (if the salary and remuneration approved by the Board of Directors are higher than such amount recommended by the Compensation Committee, the Board of Directors shall state the difference and the reasons): Please refer to p.62 of this annual report.

II. If a specific member of the Compensation Committee has adverse or qualified opinions on the resolutions of the Compensation Committee on record or in written declaration, specify the meeting date, the session, the content of the motion, the opinions of all members, and the response to the opinions of the members: Please refer to p.63 of this annual report.

3. Duties of the Remuneration Committee:

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

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

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

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

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

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

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

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

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

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

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

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

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

4. If the Board of Directors does not adopt or amend the suggestions of the Remuneration Committee: The date and session of the Board of Directors, the content of the motion, the resolution of the Board of Directors and the Company's handling of the Remuneration Committee's opinions shall be disclosed:

Date/Meeting	Proposal content	Resolution result	The Company's handling of the opinions of the Remuneration Committee
2023/3/15 22nd term 10th meeting	Motion for the Company's 2022 remuneration distribution of directors.	1. Motion 1: 4 votes in favor, 4 votes against 2. Motion 2: 2 votes in favor, 6 votes against 3. Motion 3: 4 votes in favor, 4 votes against 4. Motion 4: 2 votes in favor, 6 votes against Four motion were voted on as instructed by the chair, and none of them were approved.	Release material information and reconvene the Remuneration Committee for discussion in accordance with the requirements
2024/1/23 23rd term 9th meeting	Motion for 2023 year-end bonus and distribution to managers	After consulting with the directors present at the meeting, the motion was passed as proposed.	To be handled in accordance with the amendments

5. The Remuneration Committee's discussion of matters and resolutions, and the Company's handling of the members' opinions:

Date/Meeting	Proposal content	Resolution result	The Company's handling of the opinions of the Compensation Committee
2023/3/14 5th meeting of the 5th term	Motion for remuneration distribution of directors in 2022.	All in attendance 1 vote in favor, 2 votes against	Committee members Tu Ying-Ta and Chen Min-Hsun expressed dissenting opinion. Reasons for dissenting opinion: Regarding the original motion for 1% as remuneration to directors, but the Company's operation was not good last year, and the EPS increase was due to the disposal of the shares of Taiwan FamilyMart. After discussion by all attending members, 4 motions were unanimously agreed to be put forward and submitted to the Board of Directors for review.
2023/3/31 6th meeting of the 5th term	Motion for the amount of remuneration distribution of directors for 2022.	All in attendance 2 votes did not indicate an opinion 1 vote against	Committee member Chen Min-Hsun expressed dissenting opinion. Reasons for dissenting opinion: The original motion of distribution of 3% as remuneration to directors was too high. After discussion by all attending members, 2 motions were unanimously agreed to be put forward and submitted to the Board of Directors for review.
2023/4/20 7th meeting of the 5th term	1. Motion for distribution of remuneration to directors for 2022 2. Motion for distribution of remuneration to appointed managers for 2022 3. Motion for remuneration to the Audit Supervisor 4. Motion for the suggestions on the remuneration to the Corporate Governance Manager.	All in attendance Discussion 1 and 2: 2 votes in favor and 1 vote against; Discussion 3 and 4: Approved by all 4 committee members	Dissenting opinion from member Chen Min-Hsun: Did not agree. Discussion 1 and 2: After the chair consulted all members present, the motion was passed by the management unit with 2 votes in favor and 1 vote against, to be submitted to the Board of Directors for approval.
2023/7/10 1st meeting of the 6th term	Motion for nomination of the convener of the 6th Remuneration Committee	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2023/7/18 2nd meeting of the 6th term	1. Suggestion on the remuneration to the directors of the 23 term and Chairman 2. Suggestion on the remuneration to Finance Officer	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2023/8/24 3rd meeting of the 6th term	1. Suggestion on the remuneration to the Chief of Staff 2. Suggestion on the remuneration to the deputy general manager of marketing	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2023/11/13 4th meeting of the 6th term	1. Motion for the change of accounting supervisor 2. Ratification of the appointment of General Manager of Pioneer Traffic Co. Ltd.	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2023/12/21 5th meeting of the 6th term	1. Motion for appointment of the audit supervisor. 2. Motion for appointment of Chief Technology Officer of Production Business Group	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2024/1/23 6th meeting of the 6th term	1. Motion for 2023 year-end bonus and distribution to managers 2. Motion for appointment of Chief Executive Officer of Administration Business Group 3. Appointment of General Manager of Zhangzhou Business	All in attendance After consulting with the members present at the meeting, the motion was passed.	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution
2024/3/12 7th meeting of the 6th term	1. 2023 Total Employee Remuneration and Directors' Remuneration Distribution Case 2. Appointment of Chief Operating Officer of	All in attendance After consulting with the members present at	Passed in accordance with the resolution of the Compensation Committee and submitted to the Board of Directors for resolution

Date/Meeting	Proposal content	Resolution result	The Company's handling of the opinions of the Compensation Committee
	the Digestion Business Group 3. Appointment case of the product research director of the product research business group	the meeting, the motion was passed.	

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

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

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
I. Has the company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the board of directors and is supervised by the board of directors?	✓		The Company's "CSR Committee" was renamed "ESG Committee" in March 2022. The Chairman is the chairman of the "ESG Committee". The other committee members are jointly served by the general manager and first-level supervisors. The Company's asset manager serves as the head of the responsible office, which is divided into four main groups. Senior executives in different fields serve as convener. They follow the policies formulated by the "ESG Committee" to develop the corresponding projects, supervise and manage the goals, results, commitments, and plans of sustainable operation and social responsibility, fulfill long-term commitments with stakeholders, and disclose information regarding sustainable development to the public. The Responsibility Office is responsible for coordinating and implementing the relevant ESG strategic goals, plans and actions, convening regular meetings to assist the committee in ensuring that all commitments are fulfilled on time The Responsibility Office also grasps the information communicated with relevant stakeholders by various groups and departments, and regularly discloses the work results. The Responsibility Office is divided into four major groups: "Corporate Governance", "Health and Safety", "Environmental Sustainability", and "Corporate Commitment". Regular management meetings are held through the Responsibility Office to discuss the status of each department's work, and regular reports to the ESG Committee for guidance. All implementation plans must be approved by the members of the Committee. In 2023, the "ESG Development" reported 3 times to the Board of Directors,including stakeholder identification, carbon inventory plan and results .	None
II. Does the Company follow the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to company operations, and formulate relevant risk management policies or strategies?	✓		The Company's risk assessment boundary is based on Taiwan, which includes the Taipei Headquarters, Tianzhong Plant, and Baidou Farm. In 2023, the Responsibility Office of the ESG communicated with internal and external stakeholders in accordance with the principle of materiality for sustainability reports. By reviewing domestic and international research reports and literature, as well as integrating evaluation information from various departments and subsidiaries. We have formulated risk management policies for effective identification, assessment, monitoring, and control, and adopted specific action plans to reduce the impact of related risks. We have conduct stakeholder analysis and assessment, and formulated relevant risk management policies or strategies as follows: 1. Environment: Possible future carbon costs are estimated based on inventory of carbon indicators while replacing oil-fired boilers with natural gas-fired boilers. This is expected to be completed in Q2 2024. In addition, the solar energy assessment is also ongoing, and will be disclosed upon confirmation. 2. Social issues: Good time Knowledge+ aims to educate the general public about food	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			knowledge, certification priorities, food sanitation regulations, and clarification of rumors. 3. Corporate governance: We have upgraded the corporate governance evaluation level and financial performance. After the Facebook fan page was hacked, Taisun developed the "Operating Standards for Marketing Social Media Platform Management" to improve the information security control mechanism. 4. Compliance: 3 cases of corporate governance, 1 case of advertising and labeling, 1 case of labor inspection, 1 case of factory registration, and 1 case of occupational safety and health. Issues related to legal compliance will be disclosed in the 2023 ESG Report in Material Issues, and the information will be compiled to formulate relevant policies, commitments, evaluation mechanisms, goals, and action plans to prevent risks and losses.	
III. Environmental issues (I) Has the Company established a suitable environmental management system based on its industrial characteristics?	✓		The Company's ESG Committee is the highest body for climate change management. The Chairman serves as the chairman and instructs the ESG Responsibility Office to execute the management of sustainability-related projects. In terms of the environment, all operations are managed in accordance with the regulations of the Ministry of Environment. An annual internal GHG inventory is conducted in accordance with the ISO 14064-1 specification passed in 2022, and the carbon reduction effectiveness is tracked and publicly disclosed in the ESG report.	None
(II) Is the Company committed to improving the efficiency of energy use and using recycled materials with low impact on the environment?	✓		We began to use biomass boilers since 2014 aiming to reduce the consumption of oil boilers. Wood pellets generated from biomass boilers are used as a source of heat energy, reducing the number of slag and ash transportation, and they are also green energy, so carbon emissions are not calculated. However, after years of use, bio-based boilers are also facing the problem of steam efficiency. A natural gas boiler replacement project has been launched in 2023 to 2024 to replace oil-fired boilers with a cleaner energy source to perform production tasks, reduce pollution-related hazards, as well as carbon emissions.	None
(III) Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures?	✓		The Company's ESG Committee is the highest body for climate change management. The Chairman serves as the chair and instructs the ESG Office to handle related sustainability project management. At the end of 2022, we have formally invited consultants to assist in the development of TCFD related assessments. We have not yet clearly announced the climate change strategy and goals, and still improve on-site energy equipment. After assessing the relevant indicators such as risks and opportunities, the company will report to the Board of Directors, and disclose it in the ESG report, and report the specific action measures and results.	None
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of	✓		1. In an effort to implement ESG governance and strive for sustainable development, the Company’s GHG emissions, water consumption and total weight of waste and related	None

<table>
<tr><th rowspan="2">Promotion item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary description</th></tr>
<tr><td>total waste in the past two years, and formulate policies for greenhouse gas reduction, water management or other waste management?</td><td></td><td></td><td>reduction policies and statistics are as follows:
(1) GHG emissions: Will be disclosed in the 2023 ESG Report - chapter on energy conservation and carbon reduction management.
(2) Water Consumption:
Unit: thousand cubic meters
<table>
<tr><th rowspan="2">Item</th><th colspan="3">2022</th><th colspan="3">2023</th><th rowspan="2">2023-2022 (increase or decrease)</th></tr>
<tr><th>Food factory</th><th>Oil & Fat Factory + Aquatic Feed Factory + Baidou Farm</th><th>Total</th><th>Food factory</th><th>Oil & Fat Factory + Aquatic Feed Factory + Baidou Farm</th><th>Total</th></tr>
<tr><td>Water withdrawal</td><td>716.82</td><td>45.38</td><td>762.20</td><td>693.49</td><td>51.27</td><td>744.76</td><td>-17.44</td></tr>
<tr><td>Discharge volume (effluents)</td><td>458.23</td><td>12.42</td><td>470.65</td><td>384.86</td><td>13.02</td><td>397.88</td><td>-72.77</td></tr>
<tr><td>Total water consumption</td><td>258.59</td><td>32.96</td><td>291.55</td><td>308.63</td><td>38.25</td><td>346.88</td><td>55.33</td></tr>
</table>
Note: The water withdrawal statistics of one of the underground water meters of the food factory began from September 2022. The mean water withdrawal amount from September 2021 to December 2022 is used to estimate the water withdrawal amount for the previous 8 months.
(3) Waste:
① Food factory + Oil & Fat factory:
Unit: Metric tons
<table>
<tr><th>Classification \ Year</th><th></th><th>2022</th><th>Percentage</th><th>2023</th><th>Percentage</th><th>2023-2022 (increase or decrease)</th></tr>
<tr><td rowspan="2">Non-resource</td><td>Garbage (off-site incineration)</td><td>22</td><td>1.4%</td><td>58</td><td>3.8%</td><td>35</td></tr>
<tr><td>Boiler ash</td><td>7</td><td>0.5%</td><td>4</td><td>0.3%</td><td>-3</td></tr>
<tr><td rowspan="2">Resource</td><td>Boiler slag</td><td>168</td><td>10.9%</td><td>199</td><td>13.2%</td><td>31</td></tr>
<tr><td>Sludge, tea residues, resource recycling items, etc.</td><td>1,345</td><td>87.2%</td><td>1,243</td><td>82.7%</td><td>-102</td></tr>
<tr><td colspan="2">Total</td><td>1,542</td><td>100%</td><td>1,504</td><td>100%</td><td>-38</td></tr>
</table>
Note: All non-resource sources are incinerated; resource slags are reused in unreinforced concrete; sludge is recycled fuel, and tea residue is composted into fertilizer.
② Aquatic Feed Factory + Baidou Farm:</td><td></td></tr>
</table>

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

Year	Waste classification	Type	Reused products	Waste ratio	Resource recovery ratio
2022	Resource	Waste feed, dried pig manure and sludge	Organic fertilizer	95.40%	98.75%
		Scrap iron, waste paper, waste plastics, etc.	Iron materials, recycled paper, plastics	3.35%	
	Non-resource	General garbage (incineration outside the plant)	---	1.25%	1.25%
2023	Resource	Waste feed, dried pig manure and sludge	Organic fertilizer	86.91%	97.97%
		Scrap iron, waste paper, waste plastics, etc.	Iron materials, recycled paper, plastics	11.06%	
	Non-resource	General garbage (incineration outside the plant)	---	2.03%	2.03%

Unit: Metric tons

Waste classification	Item	2022		2023		2023-2022	
	Unit	Metric ton	Percentage	Metric ton	Percentage	Increase/decrease	Percentage
Resource	Baidou Farm - dried pig manure	160	84.86%	84	72.08%	-76	-90.48%
	Aquaculture - waste feed	18.95	10.05%	17.28	14.83%	-1.67	-9.66%
	Scrap iron	0	0%	3.82	3.28%	3.82	100%
	Waste wood	6.98	3.7%	9.07	7.78%	2.09	23.04%
Non-resource	General garbage (incineration outside the plant)	2.61	1.38%	2.37	2.03%	-0.24	-10.13%
Total		188.54	100%	116.54	100%	-72	-61.78%

2. Base year data, reduction targets, promotion measures, and achievement status of carbon reduction, water, and waste:

(1) Carbon reduction: It is expected that the replacement of natural gas boilers will be completed in Q2 2024, and the carbon reduction will be reduced by 39% or 1,348

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			tons CO2e/year in the second half of the year. (2) Water reduction: To be disclosed in the chapter of 2023 ESG Report - Water Resources Management and Wastewater Discharge. (3) Waste : The total output of non-resource waste (domestic garbage) by the Food Factory in 2023 was 58 metric tons. The non-resource waste incinerator could not enter the site due to the annual maintenance since February 2022. Non-resource waste was cleared and declared in 2023 and due to this, there was an increase of 36 tons of non-resource waste compared to the previous year. The waste recovery rate was 95.5% with the waste recovery rate of 96.5% in 2020 used as the base point. The waste recovery rate by 2025 should reach 98% or more.	
IV. Social issues (I) Has the Company developed the relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	✓		The Company abides by the laws and regulations on labor rights and gender equality in the places where it operates, supporting and respecting internationally recognized human rights standards such as the United Nations Universal Declaration of Human Rights, the United Nations Global Covenant, and the International Labor Organization-Declaration of Fundamental Principles and Rights at Work. It has formulated the “Taisun Enterprise Co., Ltd. Declaration on the Protection of Human Rights” to put an end to any violations and violations of human rights, treating and respecting all employees, contractors and temporary personnel, and interns with dignity. Taisun's business philosophy is “pragmatic, righteous, empathetic, and diligent”. We welcome partners who agree and support this business philosophy to join Taisun. The recruitment policy is based on human rights equality. All candidates have equal opportunities oriented to the ability of the examinee, and not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities. Taisun echoes the sustainable development goals of the United Nations: (Health and wellbeing) ◆ Implementing occupational safety and health management to ensure a safe working environment, and promoting the physical and mental health of employees. ◆ Continuously improving hardware facility standards and safety and health operating procedures, and actively constructing a safe and hygienic working environment to prevent occupational injuries and diseases, and to ensure labor safety and health. (Educational quality) ◆ Supporting employee growth and career development. Providing training plans, training time and funding subsidies, and encouraging employees to take the initiative to make arrangements, keep pace with the times, improve the completeness of their	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			capabilities, and develop suitable talent. (Gender equality) ◆ Promoting gender equality measures to prevent gender violence. ◆ Adopting the principle of equal employment and prohibiting any form of discrimination. (Reduce inequality) ◆ Recruitment that upholds the principles of fairness, justice and openness to recruit suitable talent, and the recruitment policy is based on the equality of human rights. All candidates have equal opportunities, oriented to the ability of the examinee, not to be treated differently based on race, color, gender, religion, politics, nationality or social origin, or physical and mental disabilities. ◆ Continuously improving hardware facility standards and safety and health operating procedures, and actively constructing a safe and hygienic working environment to prevent occupational injuries and diseases, and to ensure labor safety and health.	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	✓		1. Employee benefits: In order to provide diversified benefits, we have established the "Employee Welfare Committee of Taisun Enterprise Co., Ltd." and the "Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd." in accordance with the law. They are responsible for planning and implementing various welfare programs. In addition to the benefits that are provided in accordance with the law, we strive to create a happy workplace and provide benefits that are beyond the law to meet the needs of individual employees and their families. The Company allocates 0.05% of its total revenue as a welfare fund every month to support welfare measures. At the same time, the Employee Welfare Committee meetings are held on a regular basis. In 2023, as the pandemic situation slowed down, the Company resumed cultural and recreational activities and provided children's scholarships, respected for the elderly on Double Ninth Festival, and three festivals, etc. The amount of subsidies increased, and the amount of expenditure reached NTD 8,130,746. The Company complies with the statutory leave system and attaches great importance to the management of employees' working hours. The Company provides a number of welfare measures such as lunch subsidies, employee accommodation, flexible working hours, etc., and assigns visually impaired masseuses to enter the Company to provide services to colleagues. We also provide an EAP employee assistance program to take care of employees' physical and mental health. We also provide maternity leave, paternity exams, and paternity leave in accordance with the law to ensure that employees have sufficient rest and support at this critical stage. We have formulated the "Pension Supervisory Committee Charter" and "Retirement Management Regulations". At the	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
			same time, we implement the re-appointment system for retired employees to provide opportunities for employees to continue to participate in the Company's affairs and maintain their vitality. 2. Employee remuneration policy We share the profits with our employees with the Company's outstanding performance. In addition to dividends to shareholders, we also distribute mid-year remuneration to employees in recognition of their hard work in the previous year. According to the Company's Articles of Incorporation, remuneration to employees shall not be contributed less than 2%. Since 2018, the payment has been made year by year, and a total of NTD 2,305 thousand was distributed in 2023. In addition to the immediate bonus for work results, we also distribute year-end bonus based on the results of the performance appraisal at the end of the year, and provide opportunities for promotion and salary adjustment for top performers. The Company also organizes annual commendation meetings to recognize outstanding teams or individuals. In addition, employees who have served for two years can apply for a shareholding trust to share in the Company's operating results.	
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	✓		The Company provides employees with a safe and healthy working environment, from regular employee health inspections, safety education and publicity to safety work rules for on-site employees. There are standards and actual implementation. 1. Prevent major occupational disasters with the occupational safety management system ① The Occupational Safety Committee conducts occupational safety management and holds regular meetings to investigate and review deficiencies. ② The 6S exercise is included in the scope of performance evaluation. ③ Organize annual employee health checkup. ④ Report of abnormal health management value and risk classification 2. Prevention of the four major emerging hazards: Anthropogenic hazard prevention surveys are conducted, and high-risk patients are prioritized as part of the physician's on-site service. The Company also offers a maternal health education program for female employees. 3. Provision of occupational health services and training: Safety and health education and promotion, contractors' work safety promotion, occupational safety training for new recruits, and medical and health services are held on a regular basis every year. 4. The Company did not suffer any personal injury or property loss due to fire in 2023.	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
(IV) Does the Company establish an effective career development training program for employees?	✓		The Company has established “Education and Training Measures” to train practical talent for corporate development strategies (please refer to p.125~126 of this annual report).	None
(V) In terms of issues such as customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and does it formulate relevant consumer or customer protection policies and appeal procedures?	✓		The Company manages customer safety and health, customer privacy, marketing and labeling in accordance with the provision in the “Act Governing Food Safety and Sanitation”. There is a 24-hour free service line at 0800-079080 available for consumer complaints in accordance with the “Administrative Measures for Consumer Service Lines”. In 2023, we resolved 276 cases of product condition (excluding general product consultation services): 148 cases non-production factors, traced the cause of 128 cases, and responded with progressive measures.	None
(VI) Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	✓		The Company has established the "Supplier Establishment Management Operating Standards Act," "Operating Standards for Selection of Excellent Suppliers," "Operating Rules for Selection of Qualified Suppliers," and "Operating Standards for the Assessment and Control of Outsourcing Service Providers." Conduct reviews and make relevant amendments where necessary. The "TaiSun Enterprise Co., Ltd. Ethical Corporate Management Best Practice Principles" is binding for the relationship between employees and suppliers, and suppliers are required to sign the "Commitment to Integrity and Sustainability Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Procedures and Code of Conduct, Corporate Social Responsibility Best Practice Principles, and Human Rights Protection Declaration. We hope to raise the overall ESG awareness of suppliers and agree to abide by the responsibility to protect the environment and society, and strengthen suppliers' commitment to product responsibility, environmental management, and labor conditions. The Company has also included relevant criteria in the evaluation. The company also evaluates the possibility of continued cooperation based on the results of the annual supplier quality evaluation plan, and uses cooperation as the foundation for common growth. (1) Selection of new suppliers: The COA of raw materials must meet the relevant specifications and the raw materials and products must meet the requirements of CNS and health regulations. (2) The current evaluation requirements: Compliance with labor standards, no child labor, whether food safety plans and implementations are clearly defined, and whether industrial safety and health plans and implementations are clearly defined. At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity.	None

Promotion item	Implementation status			Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary description	
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of sustainability reports and other reports that disclose the company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	✓		The Company has compiled an annual Corporate Social Responsibility (CSR) report since 2015. The name was changed to the "ESG Sustainability Report" in 2021 to disclose the effectiveness of ESG implementation. The report contents are prepared in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies," "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and the standards set by the Global Reporting Initiative (GRI). Furthermore, we entrust Ernst & Young Taiwan to carry out independent limited from2023 (Before 2022, it was AnhouKPMG Taiwan) assurance in accordance with Bulletin No. 1 of the Confirmation Standards issued by the Accounting Research and Development Foundation of the Republic of China, the "Audit or Review of Assurance Cases for Non-historical Financial Information." Related report information is disclosed at, (1) The Company's website: https://www.taisun.com.tw/corporate/calendar-year-report/ (2) Public information website: https://mops.twse.com.tw/mops/web/t100sb11	None

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

The Company operates in accordance with the self-established Sustainable Development Best Practice Principles, and there is no significant deviation.

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

(I) Environmental aspect:

1. Wastewater discharge quality (in compliance with government regulations): We have formulated stringent standards for the inspection of treatment functions and discharge water concentration of each factory. In 2023, the BOD, COD and SS of wastewater discharged all met the government discharge water quality standards.

Status of wastewater management in food factories:

Item	National standard	Year	January	April	July	October	Average
BOD (biological oxygen demand)	<30mg/L	2022	14.8	8.5	5.8	7.8	9.2
		2023	5.4	8.1	16.2	11.2	10.2
COD (chemical oxygen demand)	<100mg/L	2022	31.9	25.1	14.6	22.4	23.5
		2023	16.3	21.3	99.2	32.5	42.3
SS (suspended solids)	<30mg/L	2022	<1.5	2.5	<1.5	2.8	2.1
		2023	4	6.3	25.9	1.9	9.5

2. Environmental protection maintenance and investment:

(1) At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials in 2020, we further improved the combustion rate. The slag output was significantly reduced by 65.57

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

tons, or 48%.

(2) In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in December 2019, and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA's stationary source emission standard amended on July 1, 2020, our food factory's oil boilers also began to use the light cracking oil of Formosa Plastics Group since March 2020. All air pollution emission tests in 2023 met the air pollution standard.

(3) In addition, the solar energy assessment is also ongoing, and will be disclosed upon confirmation.

(II) Product aspect:

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

1. There were 59 suppliers (38 for raw materials and 21 for supplies) that had actually performed the evaluation in 2023, accounting for 22% of the total purchase amount of raw materials.
2. Taisun Enterprise actively counsels suppliers to upgrade the food safety quality management system. At present, the rate of penetration rate of GFSI-approved suppliers is 13%. We will continue to guide all suppliers to introduce international certification, improve the quality system management level of partners, and achieve the concept of coexistence and common economic prosperity.
3. In 2023, there were 9 cooperating OEMs, which was the same number as in 2022. 100% of the outsourced OEMs have obtained food safety-related certification. We continue to promote the OEMs to obtain food safety and quality certification.
4. An evaluation plan is drawn up every year, and on-site inspection at the outsourced factory is used as reference information for follow-up cooperation. Of the 6 outsourced factories that performed on-site evaluations in 2023, 5 outsourced factories were rated as B-level.
5. In response to the Company's operational needs and in compliance with government regulations. We will continue to upgrade the equipment of all points in the factory to achieve energy saving and avoid any crisis caused by outdated equipment. The health and safety of employees in the factory are also taken into account, and the workplace safety is also maintained so that employees have a safe working environment.
6. In May 2023, Taisun launched label-free Pure Water to reduce the use of plastic wrapping.
7. In September 2023, sesame extract was added to Taisun High Gluten Rice Bran Oil to help improve sleep quality.
8. List of food safety certifications obtained by Taisun:

Product category	International certification		National certification	Halal certification
				
Canned snacks	100%	100%	79.54%	82.36%
Fresh house snacks & drinks	100%	100%	59.25%	58.81%

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

Beverage products	21.82%	52.76%	53.66%	21.82%
Tetra Pak beverages		100%	92.17%	
Packaged drinking water		29.82%	100%	
Oil products	73.79%	100%	54.77%	73.55%
Carbonated drinks	6.02%	6.02%	89.51%	

(III) Food safety and national nutrition promotion

- We have developed cereals/legumes + 5 kinds of comprehensive nuts and launched new nut milk products "Oat and Walnut Milk" and "Yogurt Walnut Milk", enabling consumers to easily supplement the nutrition of five kinds of nuts, and the overall taste is richer more smooth.
- We have launched label-free Pure Water to reduce the use of plastic wrapping and facilitates recycling.
- Taisun High Gluten Rice Bran Oil is a combination of sesame extract (containing sesamin), which simplifies nutritional intake and enhances the quality of daily life.
- Taisun Oil Products have obtained 7 clean product certifications and 1 clean product certification, in line with the concept of healthier products.

1. Performed production line upgrade: Build PE and aluminum can lines to create new products and packaging on par with trends.
2. To effectively put energy into good use, we have conducted old equipment replacement, process efficiency improvement and total energy control. Natural gas boilers have been installed in the Food factory in 2023 - 2024, which is expected to be completed and put into use in Q3 2024.
3. GHG inventory implementation (2020-2021) has been performed to meet future net zero goal and carbon tax basic issues. In 2022, we obtained the ISO14064-1 certification and subsequently conduct internal inventory according to the certification regulations.
4. Our waste recovery program has been initiated. By researching for ways to effectively reduce and reuse waste, waste can be the next raw material for companies. Based on this idea, we have identified 3 directions for the development of waste.
5. We will enhance talent development plans and factory improvement plants to nurture talent and retain talent to ensure productivity.
6. Promote a healthy society in the midst of a pandemic:
   ① We supported health care and social service groups in the midst of a pandemic: We initiated a company-wide donation event for supplies in the midst of COVID-19 by donating 800 boxes of products to hospitals and social service organizations.
   ② We sponsored the Care Cup, the sports development of schools in Taisun district, New Taipei City, CTBC Brothers, Formosa Xtreme Triathlon, Formosa Taishin Dreamers and street dance events. We also supported the Taiwan Rice Heaven; its first ever online race in a decade.
   ③ Taisun Cultural Foundation online courses and lectures
   At Taisun, we contribute to the Taisun Culture Foundation each year and have done so for a long time as we firmly believe the Foundation's philosophy of "building positive beliefs to create a harmonious life". Since the establishment, the Foundation has been dedicated to spiritual growth and life education by spreading positive values and beliefs and establishing goodness in society. We do our utmost to give back to society with our practical actions in order to create a sense of happiness and stability. The main tasks of the Foundation:
   ● Spiritual growth service - practice the value the true, the good and the beautiful: organize seminars focusing on physical and mental health topics, and publish "Taisun Loves Families" magazine.
   ● Life education service - touching lives with lives: life fighter storytelling, summer life education study for teachers, and Taisun Scholarship for little Taisun.
   ● Family education service - as the growth of parents benefits children, seminars for parents are organized, hoping that children's health and happiness start from parents' self-growth.

(VI) Climate-related information of TWSE/TPEx-listed companies

1. Implementation of climate-related information

Item	Implementation status
1. Describe the monitoring and governance of climate-related risks and opportunities between the Board and management.	1. The ESG is authorized by the Board of Directors to discuss and evaluate the Company's climate change related discussions and assessments. The ESG Committee jointly resolve the climate change-related responses and implement with the consent of the Chairman.
2. Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (short-, medium-, and long-term).	2. The "Climate Change Response Act" imposed a carbon fee on large carbon emitters in 2024. This may increase the operating cost of Taisun in the future. However, this does not affect the overall operation for the time being. The Company has completed the 2022 GHG inventory education and training, and planned the energy equipment replacement project, and has set the following carbon reduction targets for 2023: ➢ Short-term: Implementation of carbon management and monitoring system. ➢ Medium-term: Outperforming peers in carbon emissions management. ➢ Long-term: Establish an environment-friendly factory as a leading example of management.
3. Describe financial impacts of extreme climate events and transformational actions.	3. Extreme weather may increase the frequency of typhoons and floods which may affect the factory. If the oil waste caused by high temperature is not properly managed, it is very likely to spontaneously combust. In addition, storms will also increase the cleanliness of water sources and damage equipment, which in turn affected the delivery schedule and increased insurance expenses. In terms of transformational actions, the carbon waste will be levied in accordance with the "Climate Change Response Act" in the future, resulting in an increase in expenses, which will affect the financial revenue.
4. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system.	4. The Company's ESG Committee launched the "TCFD Climate Change-Related Financial Disclosure" training in 2022. The ESG Committee convenes on a regular basis to discuss and identify transformation risks (policy and regulations, technology, market, reputation), physical risks (immediate risks, long-term risks), and opportunities (resource efficiency, energy sources, products/services, market, and resilience).
5. If the scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described.	5. In order to strengthen the understanding of the impact of climate-related risks and opportunities on Taisun, the TCFD framework has been introduced, with training of "TCFD Climate Change-Related Financial Disclosure" in 2022 conducted. In the future, we also plan to conduct analysis and seminars on climate-related scenarios and quantify the financial impact of climate-related risks.
6. If transition plans exist to manage climate-related risks, specify the contents of the plans, as well as the indicators and targets used to identify and manage physical risks and transition risks.	6. The following are the indicators and targets for managing physical risks and transition risks: ➢ Starting in 2020, the inventory of GHG emissions has been promoted in accordance with ISO 14064-1:2018. ➢ Old equipment has been replaced in factories. Budgets for process improvement and equipment renewal are compiled every year to reduce energy consumption through energy-saving equipment. ➢ Priority is given to externally purchased electricity, and the average power consumption and the number of boxes produced each year is used to promote the reduction of power consumption year by year.

Item	Implementation status
	➢ The ratio of annual carbon emission figures to the total weight of sales is the standard, which contributes to the reduction of carbon emission figures every year. ➢ Raise the frequency of watering Chinese fountain grass with waste liquids from the farm, and reduce the water consumption for treatment. ➢ Increase the recycling rate of commercial waste (current stage > 95%).
7. If using internal carbon pricing as a planning tool, specify the basis for setting the pricing.	7. Taisun has not yet formulate an internal carbon pricing policy.
8. If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified.	8. As the risk of transition due to carbon emissions may increase operating costs, Taisun plans to increase the proportion of green energy use, such as: Scope 1 (fuel oil) - oil-fired boilers will be replaced by natural gas boilers, which is expected to be completed in Q2 2024, to achieve the short-term strategic goal (50% of those over 20 years old). Calculated on the basis of fuel oil consumption and steam output of the boilers in 2023, after the completion of the natural gas boilers, carbon emissions will be reduced by about 1,348 metric tons per year, approximate 40% reduction of carbon emissions.
9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (indicated separately in 1-1 and 1-2).	

1-1 GHG inventory and assurance for the most recent two years

1-1-1 GHG information: The GHG emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million) and data coverage for the most recent two years are as stated. For details, please refer to 3-4 Energy Conservation and Carbon Reduction Management of the 2023 ESG Report .

1-1-2 GHG assurance information: A description of the assurance status for the most recent two years as of the publication date of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance:

1-1-2.1 In June 2022, Taisun conducted a 2021 GHG emission verification by British Standards Institution Singapore Ltd. (Taiwan) and obtained a verification statement. The specifications of the inventory were based on ISO 14604-1:2018 The Roadmap for Sustainable Development for TWSE/TPEx Listed Companies and the boundaries of the inventory included five sites: "Taipei Chang-An Building", "Tanaka Food Factory," "Tianzhong Oil & Fat Factory", "Tianzhong Feed Factory," and "Tianzhong Administration Building". For Scope 1 and Scope 2, the total GHG emissions were 9,491.596 tons CO2e.

1-1-2.2 All GHG inventories for 2022 and 2023 were self-inventoried in accordance with ISO 14064-1, which will be disclosed in Chapter Energy Saving and Carbon Reduction Management. of the 2023 ESG Report

1-2 GHG reduction targets, strategies, and specific action plans: Describe the GHG reduction base year and its data, reduction targets, strategies, and concrete action plans, and achievement of the reduction targets.

Taisun began to install natural gas boilers in 2023 - 2024 and old oil-fired boilers will be replaced to reduce GHG emissions; the mid- and long-term goal is to replace aged equipment to reduce energy consumption and carbon emissions.

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

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

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services". The preventive measures and promotion points are summarized as follows: ● Regulatory compliance: In order to improve the management of food safety, we keep a close eye on changes in regulations by visiting the websites of the FDA and Law and Regulations Database, Taiwan. We also carry out product compliance inspections, calibrate relevant operating standards and give immediate warning when a product is not in compliance with the regulations. At the same time, the complete information on packaging labeling is also reviewed and tests are periodically traced and tracked, achieving the benefits of source management and rapid queries. ● Food Safety Center: As a means to improve the Company's food safety organization, effectively control product quality and implement management at source, at Taisun, we have established the "Food Safety Center" to promote food safety policy-related systems and certifications. By carrying out the Company's food safety self-management plan, food hygiene monitoring and supplier audits, while also monitoring the effectiveness and suitability of the management system, we ensure our quality and food safety are worry-free. ● Quality certification: We regularly strive for certifications and continue to renew those with global standards to ensure high food safety standards and compliance. ● Laboratory upgrade: In 2021, The Quality Assurance Department of Taisun Enterprise Co., Ltd. obtained a TAF (Taiwan Accreditation Foundation) certification, with a certification number 3836 and certificate number L3836-210602. In addition to the Company's own TAF laboratory, products are also tested by external institutions in accordance with the regulations. ● Supplier management: An evaluation plan is scheduled every year. In addition to attaching importance to the quality of the supplier's products, the supplier's implementation of social responsibility is included in the evaluation items of operation and management. At the same time, we actively counsel all suppliers to upgrade the food safety quality management system, improve the quality system management level, and achieve the concept of coexistence and common economic prosperity.	

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			● Quality management system: A complete food safety and quality management system has been built, and the system is monitored by professionals and precise equipment. In compliance with legal requirements, 100% of the products are built with a paper tracking and tracing system. At the same time, all of them have passed external inspections, and the improvement of defects was in full compliance with the regulations. ● Occupational Safety and Health Committee: In an effort to prevent occupational hazards, maintain the quality of workplace, while at the same time ensuring the safety and health of our colleagues at work to further improve the safety and health management standards, we have established the "Occupational Safety and Health Committee" as required by Article 23 of the "Occupational Safety and Health Act" and Article 10 of the "Occupational Safety and Health Management Measures" to discuss, coordinate and recommend on matters associated with occupational safety and health. Through the management functions of planning, implementation, evaluation and improvement measures, our occupational safety and health management system is enhanced, achieving the objective of sound safety and health management.	
(III) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	✓		(III) In the "Taisun Enterprise Co., Ltd. Procedures for Ethical Management and Guidelines for Conduct", the Company has established measures to prevent unethical conduct. There are also clear operating procedures, guidelines for conduct, disciplinary and complaint systems stipulated in the measures. Also, in order to ensure the implementation of ethical management, the HR Administration Unit has been designated as the dedicated unit responsible for the promotion and monitoring of the implementation of ethical management policy as well as the preventive measures. The HR Administration Unit periodically reviews and reports to the Board of Directors on the status of implementation, measures adopted and effectiveness of promotion.	None
II. Implementation of ethical management (I) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	✓		(I) Before establishing a business relationship with others, the Company evaluates the legitimacy of the counterparty, fully understands the ethical management situation of the counterparty, and whether there has been a record of dishonest behavior. Ensure that its business operations are fair, transparent and it will not request, offer or accept bribes. In 2023, the signing rate of "Integrity and Sustainability Commitment" for new suppliers with a	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
			transaction amount over $100,000 was 95.1%.	
(II) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?	✓		(II) The HR Administration Unit has been appointed as dedicated unit for ethical management and is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The Unit reports to the Board of Directors at least once a year on the ethical management policy and the prevention plan for unethical conduct and the supervision situation of the implementation. On December 21, 2023, the Company's Ethical Corporate Management Team reported to the Board of Directors on the implementation status, measures adopted and promotion results in 2023.	None
(III) Has the Company made policies for the prevention of the conflict of interest, and provided the channels for expressions, and has it properly implemented this system?	✓		(III) The “Taisun Enterprise Co., Ltd. Code of Ethical Management” and the “Taisun Enterprise Co., Ltd. Ethical Corporate management Best Practice Principles” set forth by the Company have clearly defined policies to prevent conflicts of interest and provide appropriate channels for presentation, and require relevant units of the Company to implement.	None
(IV) Does the Company have an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrust an accountant to perform the audit?	✓		(IV) The Company has established various accounting systems and internal control systems in order to implement ethical management. Furthermore, the audit unit is responsible for operations to assist the Board of Directors and managers to inspect, review and strengthen the promotion and implementation of the Company's internal control systems. The audit unit performs the audit work in accordance with the annual audit plan approved by the Board of Directors. The audit supervisor sends a written report to independent directors the following month after the audit project (or tracking project) is completed. Furthermore, it regularly reports to the audit committee and the Board of Directors on the implementation of the audit business and the results of the annual self-assessment of the internal control system.	None
(V) Has the Company provided internal and external training on topics of ethical corporate management at regular intervals?	✓		(V) The Company values ethical management and corporate social responsibility. To do so, we promote a work culture of ethical management and responsibility when an employee begins working with us. In 2023, we carried out and awareness development (covering “Code of Ethical Management”, “Ethical Corporate management Best Practice Principles” and “Procedures for the Prevention of Insider Trading”) on topics associated with	None

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
III. Status of the Company's whistleblowing system (I) Has the Company established substantive systems for reporting and rewards for facilitating the reporting of unethical practices, and appointed designated persons for dealing with the persons being reported?	✓		ethical management issues. A total of 1,322 employees took part totaling 1,322 hours. (I) In accordance with the relevant provisions of the whistle-blowing system in Article 23 of the "“Code of Ethical Management", the Company has established and announced an independent internal whistle-blowing mailbox and hotline , and assigned dedicated personnel and units to handle whistle-blowing. Employee complaint and ethics reporting mailbox: taisunhr1999@taisun.com.tw Receiving unit: Human resources unit, unit supervisor Ethics Mailbox Link: http://www.taisun.com.tw/corporate/stakeholder/ Acceptance unit: Corporate Governance Unit	None
(II) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	✓		(II) The standard operating procedures for the investigation of the reported matter must be properly kept, including the acceptance of the reported case, the investigation process, the investigation results and the records of related documents. The identity of the informant and the content of the report are sealed and kept confidential.	None
(III) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?	✓		(III) The review process should be conducted in an undisclosed and confidential manner, so as to ensure the privacy rights of the informant. If it is not conducted in a confidential manner in accordance with regulations, the Company will report the matter and mete out punishment.	None
IV. Enhancing Information Disclosure Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	✓		The Company has disclosed Code of Ethical Management related content on both the company Website and the Market Observation Post System.	None
5. If the Company has instituted the corporate social responsibility best practice principles in accordance with the "Corporate Social Responsibility Best Practice Principles for the TWSE Listed and TPEx Listed Companies," specify the implementation of these principles and the variation with the Corporate Social Responsibility Best Practice Principles for the TWSE/TPEx-listed Companies: 1. The "Taisun Enterprise Co., Ltd. Code of Ethical Management" set by the Company are based on the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" issued by the Stock Exchange and are also required in operation of relevant units of the Company for required implementation. Furthermore, they should internalize the requirements of the Ethical Corporate Management Best Practice Principles into daily operation management. There is no major difference between actual operation and the code. 2. Based on the provisions stipulated in Article 17 of the Company's Code of Ethical Management, the Company has set up a dedicated unit under the Board of Directors to improve the				

Evaluation items	Operating status			Reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Summary description	
management of ethical management. The Unit is responsible for the formulation and supervision of the ethical management policy as well as the prevention plan. The “Code of Ethical Management” and the “Procedures for Ethical Management and Guidelines for Conduct” have been disclosed on the Company's website.				
VI. Other information that enables a better understanding of the Company's ethical corporate management: (e.g. review and amendments on the ethical corporate management best-practice principles established by itself): The Company always pays attention to the development of relevant standards for ethical management, and reviews and improves the Company's relevant policies to enhance the effectiveness of the Company's ethical management.				

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

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

(IX) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Please refer to the Company's Website: http://www.taisun.com.tw

(X) Implementation of the internal control systems:

1. Statement of Internal Control System

Taisun Enterprise Co., Ltd.

Declaration of internal control systems

Date: March 12, 2024

The Company's internal control system for 2023, based on the results of self-assessment, is hereby declared as follows:

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

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

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

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

V. For relevant deficiencies and improvement for deficiencies found in the Company's assessment in internal control, please refer to the Attachment.

VI. Based on the evaluation result of the preceding item, regarding the Company's Internal Control System on December 31, 2023 **Note2** (encompassing the supervision and management of subsidiaries), and including understanding of the effectiveness of operations and the degree to which the efficiency with which objectives are achieved, it is believed that the reporting is reliable, timely, transparent and in compliance with the relevant specifications and relevant laws and regulations, and the design and execution of the relevant Internal Control System are effective except for those described in the preceding paragraph.

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

VIII. This Statement was passed at the meeting of the Board of Directors on March 12, 2024, with 9 out of the 0 attending directors expressing dissenting opinions, and the rest all affirm the content of this Statement and make this declaration.

Taisun Enterprise Co., Ltd.

Chairman: Liu Wei-Lung Signature/Seal

General Manager: Tsai Cheng-Ta Signature/Seal

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report:
   (1) According to the FSC's Han-Wen-Jin-Guan-Zheng-Fa-Zi No. 11203321581 dated February 14, 2023, the person-in-charge of the Company was fined due to violation of the "Regulations Governing the Acquisition and Disposal of Assets". The FSC also demanded that the Company continue to improve upon relevant deficiencies. For the subsequent acquisition of assets, the Company has provided relevant evaluation documents in accordance with the regulations to implement the standards for the acquisition or disposal of assets. In addition, pursuant to FSC Letter Jin-Guan-Zheng-Fa-Zi No. 11201355181, the person-in-charge of the Company filed a defense appeal and was dismissed, with a fine of NTD 480,000.
   (2) According to the Letter Tai-Zheng- Shang-Zhi No. 1121801864 issued by Taiwan Stock Exchange on April 25, 2023, the Company was fined NTD 2,500,000 due to deficiencies in the internal control system. The Company has provided relevant documents to the Taiwan Stock Exchange as required by the Letter.
   (3) According to the Letter Tai-Zheng- Shang-Zhi No. 1121802138 issued by Taiwan Stock Exchange on May 11, 2023, the Company was fined NTD 3 million for violating the material information reporting regulations. The Company has completed the correction of material information on May 11 of the same year.

(XI) In the most recent year and up to the date of publication of the annual report, if the Company and its internal personnel have been punished according to law, and the punishment has been imposed on internal personnel by the Company for violation of the internal control systems, major defects and improvements: None.

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

1. Important resolutions of the 2023 shareholders meeting:

Date	Meeting type	Important resolutions	Implementation status
2023/5/31	2nd Extraordinary general meeting	(1) Motion for full re-election of directors (including independent directors). (2) Motion for release of restrictions on competing behaviors of new directors (including independent directors) and their representatives.	(1) The elected directors and independent directors were approved for registration by the Ministry of Economic Affairs on July 21, 2023. (2) Effective after the resolution of the shareholders meeting.
2023/6/30	Shareholders' Meeting	(1) Motion for 2022 business report and financial statements. (2) Acknowledgment of the 2022 earnings distribution.	(1) Relevant forms have been submitted to the competent authority for inspection and announcement in accordance with Company Act and other relevant laws and regulations. (2) The Company's net profit after tax in 2022 was NTD 5,918,494,861, and cash dividends per share of NTD 0.56 per share were distributed according to the resolution adopted at the shareholders' meeting. The ex-dividend date was set on July 10, 2023, and the payment was fully completed on July 17, 2022.

2. In 2023 and as of the publication date of the annual report, important resolutions of the Board of Directors and independent directors' opinions, and the Company's handling of independent directors' opinions:

Date/Meeting	Important resolutions	Opinions of independent directors	The Company's handling of independent directors' opinions
2023/3/15 22nd term 10th meeting	1. Motion for the Company's 2022 total employee remuneration distribution	1. Dissenting opinion from Independent Director Tu Ying-Ta: Does the profit from disposal of FamilyMart meet the profit limit specified in the Articles of Incorporation? The dissenting opinion was that there was doubt about whether the contributions of the staff or directors can be regarded as contributions and apportioned accordingly. 2. Dissenting opinion of Independent Director Chen Min-Hsun After selling the shares of FamilyMart, there was no new investment project.	Release material information and reconvene a meeting of the Board of Directors for discussion in accordance with the requirements
	2. Motion for the Company's 2022 remuneration distribution of directors.	Against Motion 1 and Motion 3: Independent Directors Tu Ying-Ta and Chen Min-Hsun Against Motion 2 and Motion 4: Independent DirectorLi Ming-Hui	
	3. Motion for the Company's 2022 self-settled financial statements	As Motion 1. and 2. were not passed, this motion could not be discussed and voted on.	
	4. Motion for convening the Shareholders' Meeting in 2023.	None	None
	5. Financing facility proposed to Xinyi Branch of Taiwan Cooperative Bank due to business needs	None	None
2023/3/31 22nd term 11th meeting	1. Motion for the 2022 total remuneration distribution of employees	None	None
	2. Motion for the establishment of the amount of remuneration distribution of directors for 2022.	Dissenting opinion from Independent Director Chen Min-Hsun: Chen did not consent to the appropriation of 3% for remuneration to directors and thus opposed the motion.	Release of material information as required
	3. Motion for the Company's 2022 business report and financial statements	None	None
	4. Change of Audit Supervisor and Corporate Governance Manager.	None	None
	5. Motion for review of the Company's internal control self-evaluation results	None	None
	6. Motion for formulation of general principles for the Company's pre-approval of non-assurance service policies	None	None
2023/4/20 Continued May 5, 2023 22nd term 12th meeting	1. Motion for remuneration distribution of managers in 2022	None	None
	2. Motion for remuneration distribution of directors in 2022	None	None
	3. Motion for the suggestions on the remuneration to the Corporate Governance Manager and Audit Supervisor	None	None
	4. Motion for equity investment	None	None
	5. Motion for of adding a new water packaging plant	None	None
2023/5/5 22nd term 13th meeting	1. Motion for accepting shareholders' proposals for 2023 AGM	None	None
	2. Motion for the Company's 2022 profit distribution	Independent Director Min-Hsun Chen dissenting opinion: Against.	Release of material information as required
	3. Motion for consolidated financial statements for Q1 2023.	None	None
	4. Motion for discussion of earnings distribution for Q1 2023	None	None
	5. Motion for 2022 project review report of the investment cycle internal control system	Independent Director Min-Hsun Chen dissenting opinion: Against.	Release of material

Date/Meeting	Important resolutions	Opinions of independent directors	The Company's handling of independent directors' opinions
			information as required
2023/5/30 22nd term 14th meeting	1. Motion for appointment of the Company's Finance Officer	None	None
	2. Removal of restrictions on the Company's Finance Officer from concurrently serving as a manager of another company	None	None
2023/6/8 23rd term 1st meeting	Motion for election of the Company's Chairman	None	None
2023/6/16 23rd term 2nd meeting	1. Motion for discussion of 2022 earnings distribution	3. Dissenting opinion from Independent Director Huang Hui-Ping: (1) Dissenting opinion 1: The outcome of the lawsuit is unclear, and the impact on dividend distribution is difficult to assess at present. (2) Dissenting opinion 2: As insufficient fund is not a permanent situation, should remuneration be distributed in installments? 4. Qualified opinion from Independent Director Chen Wei-Yu: The sale of FamilyMart is not yet confirmed. If there is no surplus after winning the case, the earnings distribution should be based on all the surplus. Currently, a large part of the surplus is unidentified.	Release of material information as required
	2. Motion for appointment of the Company's Finance Officer	Qualified opinion from Independent Director Huang Hui-Ping: The candidate should be based on the existing organizational manpower to stabilize the employees' cohesion.	Release of material information as required
2023/7/10 23rd term 3rd meeting	1. Motion for appointment of Remuneration Committee members	None	None
	2. Change of Corporate Governance Manager	None	None
	3. Change of the spokesperson	None	None
2023/7/18 23rd term 4th meeting	1. Motion for appointment and remuneration of the Company's CPAs	None	None
	2. Suggestion on the remuneration to the independent directors of the 23rd term and the Remuneration Committee of the 6th term	None	None
	3. Suggestion on the remuneration to the general directors of the 23rd term	None	None
	4. Suggestion on the remuneration to the Chairman	None	None
	5. Suggestion on the remuneration to Finance Officer	None	None
2023/8/11 23rd term 5th meeting	1. Motion for financial statements for Q2 2023	Qualified opinion from Independent Director Huang Hui-Ping: Regarding the recognition of the transaction amount of NTD 3.6 billion of the payment in advance for Jkopay in the consolidated balance sheet of the financial statements as "prepaid investment", the 2023 Temporary Zi No. 12 ruling and provide complete information on the portion of the transaction of the issuance of new shares in the case of a dispute between the parties in which it is disputed whether the delivery of shares is a condition for the entry into force of the subscription agreement for new shares.	Release of material information as required
	2. Motion for earnings distribution for 2023 Q2	None	None
	3. Motion for reasigning representatives of directors and supervisors of the subsidiary, Taisun (Cayman) and Pioneer Traffic Co. Ltd.	None	None

Date/Meeting	Important resolutions	Opinions of independent directors	The Company's handling of independent directors' opinions
	4. Motion for financing facility by Bank SinoPac	None	None
	5. Motion for financing facility by Taichung Commercial Bank	None	None
2023/8/24 23rd term 6th meeting	1. The Company sued Jkopay for the return of investment	Qualified opinion from Independent Director Huang Hui-Ping: In assessing whether to return the investment funds to Jkopay s application for contract invalidity, it is necessary to understand the litigation cost and legal risk assessment first. It is not appropriate to listen to subjective and one-sided information only. Lawyers should be appointed to analyze the advantages and disadvantages of litigation based on the facts, legal claims and basis of the court, conducting legal risk assessment, and issuing a written legal opinion for the Board of Directors to fully understand the specific information after assessment and decision. Therefore, without the legal opinion presented for my reference, it is difficult for me to give my consent.	Release of material information as required
	2. Motion for appointment of Chief of Staff	None	None
	3. Motion for appointment of General Manager of Marketing	None	None
	4. Motion for change of deputy general manager	None	None
2023/11/13 23rd term 7th meeting	1. Motion for financial statements for Q3 2023	None	None
	2. Motion for earnings distribution for 2023 Q3	None	None
	3. Motion for financing facility by Taichung Commercial Bank	None	None
	4. Motion for financing facility by E.Sun Bank	None	None
	5. Motion for reassignment of director representatives in the subsidiary, Pin-Tai Distribution Enterprise Co., Ltd.	None	None
	6. Motion for entrusting the agricultural and animal husbandry land of the Company's Baidou Farm, Changhua County to the Chairman of the Company and appointing an independent director to handle the land-related registration matters	None	None
	7. Motion for the change of accounting supervisor	None	None
	8. Ratification of the appointment of General Manager of Pioneer Traffic Co. Ltd.	None	None
2023/12/21 23rd term 8th meeting	1. Motion for 2024 audit plan	None	None
	2. Motion for 2024 budget report	None	None
	3. Motion for financing facility by Bank of Panhsin	None	None
	4. Motion for financing facility by Union Commercial Bank	None	None
	5. Motion for financing facility by Bank of Kaohsiung	None	None
	6. Motion for appointment of the audit supervisor.	None	None
	7. Motion for appointment of Chief Technology Officer of Production Business Group	None	None
2024/1/23 23rd term 9th meeting	1. Motion for financing facility by Bank of Taiwan, Taichung Branch	None	None
	2. Motion for financing facility by Taipei Fubon Bank	None	None

Date/Meeting	Important resolutions	Opinions of independent directors	The Company's handling of independent directors' opinions
	3. Motion for 2023 year-end bonus and distribution to managers	None	None
	4. Motion for appointment of Chief Executive Officer of Administration Business Group	None	None
	5. Motion for appointment of General Manager of Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	None	None
23rd term 10th meeting 2024/3/12	1. Motion for total amount of 2023 remuneration to employees and directors.	None	Release of material information as required
	2. Motion for 2023 business report and financial statements.	None	None
	3. Motion for the Company's 2023 earnings distribution.	None	None
	4. Motion for the Company's 2023 "Statement of Internal Control System".	None	None
	5. Motion for appointment and remuneration of the Company's CPAs.	None	None
	6. Motion for formulation of general principles for the Company's pre-approval of non-assurance service policies.	None	None
	7. Motion for amendments to some provisions of the Company's "Operating Procedures for Handling Directors' Requests".	None	None
	8. Financing of Land Bank of Taiwan, Chang'an Branch.	None	None
	9. Motion to re-elect all directors at the general shareholders' meeting.	Dissenting opinion from Independent Director Huang Hui-Ping: I disagree with the re-election of directors at the general shareholders' meeting for the following reasons: On May 31, 2023, the Board of Directors was re-elected for a term of less than one year, which is not conducive to corporate governance. Furthermore, the reasons for the full re-election of directors proposed this time are not legitimate, which are not conducive to corporate governance: 1. A listed company is not a single shareholder, and changes in shareholders' equity can be seen at any time. A change in equity of one shareholder should not be used arbitrarily as an excuse to overturn the results of the election of directors at the previous shareholders' meeting, and the rights and interests of other shareholders should not be disregarded. This act was not conducive to the stability of the Company's operation. 2. In addition, the Company was involved in a dispute with the directors. The Company voluntarily filed a lawsuit against the resolutions of the previous directors, but also claimed that it lacked trust in specific directors of the current term, and demanded the full re-election of directors. This is obviously not justifiable. Moreover, the Company demanded the full re-election of directors based on one-sided prejudice when the litigation has not yet reached a decision. This is equivalent to declaring that the Company cannot accept the dissenting opinions of the board members, which is obviously not conducive to corporate governance. Taisun had a rocky year last year. Today, the Board of Directors has been functioning	Release of material information as required

Date/Meeting	Important resolutions	Opinions of independent directors	The Company's handling of independent directors' opinions
		normally. Although different opinions may be tolerated, the development has tended to be stable. The Board of Directors has also exchanged opinions on different opinions, which highlights the value of corporate governance. An election held at this time is not a proper decision for small shareholders and corporate governance. Based on this notion, I do not agree with the election going ahead. Dissenting opinion from Independent Director Hsiao Sheng-Hsien: 1. The current Board of Directors has only been serving for less one year (shall be three-year term as specified in the Articles of Incorporation). The reason for the full election of directors (including independent directors) give is “to cope with the changes in the Company’s shareholding structure so that Board of Directors are able to reflect the shareholders' intention immediately and accurately”. This may jeopardize the rights and interests of the current directors small directors. Based on this notion, I do not agree with the election going ahead. 2. In addition, based on "in consideration of the involvement of some directors in litigation with the Company and the serious impact on the relationship of trust between the Company and the directors”, an election of all directors at the Shareholders’ Meeting this year is to be held. However, the lawsuit was a dispute with the directors of the previous term. During the tenure, I have not seen any detriment to the interests of the Company. Moreover, this is only a personal opinion between some directors and has not yet been determined by the court. The "full re-election" is unnecessary and may jeopardize the rights and interests of the current directors and small shareholders. Based on this notion, I do not agree with the election going ahead.	
	10. Motion for convening of the 2024 Shareholders’ Meeting of the Company.	None	None
	11. Appointment of the COO of the Gastroenterology Business Group.	None	None
	12. Appointment of Product Research Officer of the Product Research Business Group.	None	None

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

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

March 31, 2024

Job title	Name	Date of appointment	End of appointment	Reason for resignation or dismissal
Chairman	Chan Ching-Chao	2021/12/16	2023/5/31	Re-election
Vice General Manager	Max Lei	2013/11/8	2023/7/27	Duty adjustment
Accounting Supervisor	Kai-Tse Hsiao	2022/1/25	2023/11/14	Duty adjustment
Finance Officer	Fu Chen-Hsiang	2023/5/30	2023/6/16	Duty adjustment
Internal Audit Supervisor	Yi-Fang Tsai	2004/07/14	2023/3/31	Retirement
Internal Audit Supervisor	Hsu Hsin-Hsiang	2023/3/31	2023/12/21	Duty adjustment
Corporate Governance Manager	Wei-Chen Liu	2021/3/8	2023/3/17	Resignation due to health issues
Corporate Governance Manager	Gu-Long Yan	2023/3/31	2023/6/16	Resigned

V. Information on fees for CPAs

(I) Information on fees for CPAs

Currency unit: NTD thousand

Accounting firm name	Accountant name	Accountant review period	Audit professional expense	Non-audit professional expense	Total	Remarks
KPMG Taiwan	Hsin-Ting Huang Kuo-Yang Tseng	2023/1/1~ 2023/5/31	1,110,000	4,560,000	5,670,000	2022 CSR Corporate Social Responsibility Report Confirmation Service, Non-Supervisory Employee Salary Checklist, English Consolidated Financial Report Translation and other service fees
Ernst & Young Taiwan	Lin Su-Wen Yang Chih-Hui	2023/6/1~ 2023/12/31	6,640,000	550,000	7,190,000	Non-audit public expenses are tax stamp verification fees

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

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

VI. Information on replacement of CPAs

(I) About the former CPAs

Replacement date	From May 31, 2023			
Reason for replacement and description	The Company received a letter from KPMG Taiwan voluntarily to terminate the appointment			
Explanation for why appointing person or accountant was terminated or did not accept the appointment	Party concerned / Occurrence		Accountant	Appointed person
	Voluntary termination of appointment		V	
	No longer accept (continue) appointment			
Opinions and reasons for the inspection report other than unqualified opinions issued within the latest two years	None.			
Disagreement with the issuer	Yes		Accounting principles or practices	
			Disclosure of financial reports	
			Check scope or steps	
			Other	
	None	V		
	Description: None.			
Other disclosures (Article 10, paragraph 6, item 1 (4) to item 1 (7) should be disclosed)	None.			

(II) About the succeeding CPAs

Firm name	Ernst & Young Taiwan
Accountant name	CPAs Lin Su-Wen, Yang Chi-Hui
Date of appointment	From Q2 2023
Consultation in designated accounting method or accounting principles and comments on possible opinions of the CPA on the financial audit prior to the appointment, and the result.	None.
Written opinions of the successor accountant on the dissenting opinions of the former accountant	None.

(III) The former accountant's reply to Article 10, paragraph 6, item 1 and item 2 of item 3 of this Standard: None.

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

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

(I) Changes in shareholdings of directors, managers and major shareholders:

1. Changes in shareholdings of directors, managers and major shareholders of the 22nd term:

Job title	Name	As of May 30, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares
Director	Jing Xun Investment Industrial Corporation Limited	0	(4,800,000)
	Representative: Chan Ching-Chao	0	0
Director	Shen Yang Investment Corporation Limited	0	0
	Representative: Chan Yi-Houg (Note)	0	0
Director	Shen Yang Investment Corporation Limited	0	0
	Representative: Chen No-Hua (Note)	0	0
Director	Hongqiang Co., Ltd.	0	0
	Representative: Hao-Jun Chan	0	(1,800,000)
Director	Huang-Qiao-Lin Business Co., Ltd.	0	0
	Representative: Chang-Chung Yin	0	0
Director	Long Bon International Industrial Co., Ltd.	10,056,000	(67,588,000)
	Representative: Liu Wei-Lung	0	0
Director	Long Bon International Industrial Co., Ltd.	10,056,000	(67,588,000)
	Representative: Tai-Sheng Han	0	0
Independent Director	Min-Hsun Chen	0	0
Independent Director	Ming-Hui Li	0	0
Independent Director	Ying-Ta Tu	0	0
General Manager	Cheng-Ta Tsai	0	0
Vice General Manager	Max Lei	(300,226)	0
Major shareholder	Long Bon International Industrial Co., Ltd.	10,056,000	(67,588,000)

Note: The 22nd Corporate Director Shenyang Investment Co., Ltd. appointed Chen No-Hua as its representative on January 17, 2023.

2. Changes in shareholdings of directors, managers and major shareholders of the 23rd term:

Job title	Name	2023		As of March 31, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) of pledged shares
Director	Baosheng Investment Co., Ltd.	0	(14,881,000)	0	0
	Representative: Liu Wei-Lung	844,000	0	411,000	0
Director	Baosheng Investment Co., Ltd.	0	(14,881,000)	0	0
	Representative: Tai-Sheng Han	0	0	0	0
Director	Baosheng Investment Co., Ltd.	0	(14,881,000)	0	0
	Representative: Liu Huang-Chi	22,000	0	0	0
Director	Baosheng Investment Co., Ltd.	0	(14,881,000)	0	0
	Representative: SHAO,MING-BIN	0	0	0	0
	Representative: Yang Wen-Ching	0	0	0	0
Director	Hongqiang Co., Ltd.	(457,000)	0	0	0
	Representative: Fu Chen-Hsiang (Note 2)	0	0	0	0
Director	Chih Deng Investment Co., Ltd.	0	0	0	0
	Representative: No-Hua Chen	0	0	0	0
Independent Director	Hsiao Sheng-Hsien	0	0	0	0
Independent Director	Chen Wei-Yu	0	0	0	0
Independent Director	Huang Hui-Ping	0	0	0	0
General Manager	Cheng-Ta Tsai	0	0	0	0
Chief of Staff	Su Shou-Pin	0	0	0	0
Deputy General Manager/ Finance Officer	Li Shu-Hui	0	0	0	0
Vice General Manager	Niu An-Tse	0	0	0	0
Production Business Group Chief Technology Officer	Wang Tseng-Kun	0	0	0	0
Administration Business Group Chief Executive Officer	Lin Li-Wan	0	0	0	0
Consumer Business Group Chief Operating Officer	Shen Yi-Chun	0	0	0	0
Product Research Business Group Product Research Officer	Chang Shu-Miao	0	0	0	0
Accounting Supervisor	Gu-Long Yan	0	0	0	0
Major shareholder	Long Bon International Industrial Co., Ltd.	0	83,548,000	0	0

Note 1: The Company re-elected the 23rd Board of Directors at the extraordinary shareholders' meeting on May 31, 2023, and took office on May 31, 2023.
Note 2: On August 7, 2023, Hongqiang Co., Ltd. reappointed Fu Chen-Hsiang as its representative.
Note 3: Independent Director Hsiao Sheng-Hsien resigned on March 13, 2024.
Note 4: The 23rd Corporate Director Baosheng Investment Co., Ltd.., appointed SHAO,MING-PIN as its representative on March 25, 2024.
Note 5: Refer to the current managers as of the publication date of the annual report.

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

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

IX. Information about the relationships of the ten largest shareholders

March 31, 2024; unit: shares

Name	Shares held personally		Shares held by spouse and minor children		Total holding of shares in the names of others		The Top 10 shareholders are related parties, spouse, kindred within the 2nd tier under the Civil Code to one another, the titles or names, and relation		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio	Title (or name)	Relationship	
Long Bon International Industrial Co., Ltd.	191,721,000	38.34%	0	0	0	0	Baosheng Investment	Subsidiary	
Representative of Long Bon International Co., Ltd.: Liu Wei-Lung	1,255,000	0.25%	0	0	0	0	None	None	
Baosheng Investment Co., Ltd.	58,279,000	11.66%	0	0	0	0	Long Bon International	Parent Company	
Representative of Baosheng Investment Co., Ltd.: Wei-Lung Liu	1,255,000	0.25%	0	0	0	0	None	None	
Run Yuan Investment Co., Ltd.	11,196,000	2.24%	0	0	0	0	None	None	
Representative of Run Yuan Investment Co., Ltd.: Kao Li-Li	500,000	0.1%	0	0	0	0	None	None	
Jing Xun Investment Industrial Corporation Limited	10,446,082	2.09%	0	0	0	0	None	None	
Representative of Jing Xun Investment Industrial Corporation Limited: Kao Li-Li	500,000	0.1%	0	0	0	0	None	None	
Pin-Tai Distribution Enterprise Co., Ltd.	10,351,332	2.07%	0	0	0	0	None	None	
Supervisor of Pin-Tai Distribution Enterprise Co., Ltd.: Liu Wei-Lung	1,255,000	0.25%			0	0	None	None	
Yu Kai Investment Co., Ltd.	5,000,000	1%	0	0	0	0	None	None	
Representative of Yu Kai Investment Co., Ltd.: Chan Chin-Chia	1,244,728	0.25%	0	0	0	0	None	None	
Chan Jen-Hua	3,852,642	0.77%			0	0	None	None	
Hongya Investment Co., Ltd.	3,178,161	0.64%	0	0	0	0	None	None	
Hongya Investment Co., Ltd.: CHAN,JEN-TAO	1,355,000	0.27%	0	0	0	0	None	None	
LI,MEI-WEN	3,153,705	0.63%	0	0	0	0	None	None	
CHAN,JEN-LI	3,088,105	0.62%	0	0	0	0	None	None	

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

Unit: shares; %

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

Note: Investments accounted for using the equity method.

Four. Fundraising Overview

I. Capital and Shares

(I) Sources of Capital

1. Outstanding shares

March 31, 2024

Unit: NTD 1,000; Thousand shares

Year/ Month	Issue price	Authorized share capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of share capital	Capital increase by assets other than cash	Other
2018/2	NTD 16.3	1,000,000	10,000,000	499,999	4,999,990	Capital increase in cash 1,466,630	None	1. 11/8/2017 FSC Approval No. 1060041370 2. Change approved by the Ministry of Economic Affairs under Jing-Shou-Shang-Zi No. 10701019170 dated March 14, 2018.

2. Type of Shares

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

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

(II) Shareholder structure

March 31, 2024

Shareholder structure / Amount	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreigners (Note)	Total
Number of individuals	3	3	302	80,988	106	81,402
Number of shares held	659	73,894	299,717,158	192,042,849	8,164,478	499,999,038
Shareholding ratio	0.00%	0.01%	59.94%	38.42%	1.63%	100%

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

(III) Distribution of Share Ownership

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

March 31, 2024

Ownership range	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	56,702	4,023,690	0.8
1,000 to 5,000	19,379	39,191,472	7.84
5,001 to 10,000	2,834	22,484,714	4.5
10,001 to 15,000	805	10,340,215	2.07
15,001 to 20,000	546	10,186,817	2.04
20,001 to 30,000	414	10,647,142	2.13
30,001 to 40,000	197	7,122,983	1.42
40,001 to 50,000	130	6,079,742	1.22
50,001 to 100,000	223	16,042,441	3.21
100,001 to 200,000	75	10,576,216	2.12
200,001 to 400,000	43	12,243,147	2.45
400,001 to 600,000	11	5,290,297	1.06
600,001 to 800,000	6	4,105,026	0.82
800,001 to 1,000,000	3	2,607,682	0.52
1,000,001 and more	34	339,057,454	67.8
Total	81,402	499,999,038	100%

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

(IV) List of major shareholders

March 31, 2024

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Long Bon International Co.,Ltd.	191,721,000	38.34%
Everwin Investment Co., Ltd.	58,279,000	11.66%
REN YUAN Co., Ltd.	11,196,000	2.24%
Jingxun Investment Industrial Co., Ltd.	10,446,082	2.09%
PIN-TAI DISTRIBUTION ENTERPRISE CO., LTD.	10,351,332	2.07%
Yu Kai Investment Co., Ltd.	5,000,000	1.00%
CHAN,JEN-HUA	3,852,642	0.77%
Hongya Investment Co., Ltd.	3,178,161	0.64%
LI,WEN-MEI	3,153,705	0.63%
CHAN,JEN-LI	3,088,105	0.62%

(V) Information on market price, net worth, earnings and dividends per share for the most recent two years

Unit: NTD/thousand shares

Item \ Year			2022	2023	As of March 31, 2024 (Note 8)
Market price per share (Note 1)	High		47.95	33.05	22.85
	Low		26.50	20.00	20.95
	Average		32.73	26.51	22.00
Net worth per share (Note 2)	Before distribution		25.83	24.83	-
	After distribution		25.83	24.83	-
Earnings per share	Weighted average number of shares		486,393	486,393	-
	Earnings per share (Note 3)		12.17	(0.17)	-
Dividends per share	Cash dividends		4.00	0	-
	Stock dividends	Retained shares distribution	0	0	-
		Capital reserve shares distribution	0	0	-
	Accumulated undistributed dividends (Note 4)		0	0	-
Return on investment analysis	Price/earnings ratio (Note 5)		2.69	(-155.94)	-
	Price/dividends ratio (Note 6)		8.18	-	-
	Cash dividend yield (Note 7)		12.22%	-	-

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

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

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

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

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

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

Note 6: Price/dividends ratio = average closing price per share for the year/cash dividend per share.

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

Note 8: As of the publication date of the annual report, there is no information on net worth per share and earnings per share for the most recent quarter that has been audited (reviewed) by CPAs; the other columns are based on the current year as of the publication date of the annual report.

(VI) Company dividend policies and implementation status

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

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

   If the earnings per share falls below NT$0.1, the Board may retain the earnings and not be for distribution.

2. Dividend implementation status:

   For the Company's 2023 earnings distribution, the board resolution on March 12, 2024 was as follows:

   The undistributed earnings at the beginning of the period are the equity gains from the disposal of FamilyMart Convenience Store Co., Ltd. in 2022. However, the legal validity is still open to question, so no dividends are planned to be distributed in 2023.

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

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

(VIII) Employee and director remuneration:

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

   The Company shall appropriate at least 2% of its earnings, if applicable, as remunerations to the employees and no more than 5% as remunerations to the Directors. If the Company has carryforward loss, the Company shall appropriate for covering such loss first.

   The recipients of the aforementioned remunerations in stock or cash shall include the employees of the subsidiaries of the Company meeting specific conditions.

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

   In accordance with the Company's Articles of Incorporation and the profitability of the Company as verified by accountants in 2023, it is proposed to appropriate NTD 2,304,812 as employee remuneration and NTD 0 as director remuneration; both will be distributed in cash. The aforementioned allocation ratio and amount have

been approved by the company's Compensation Committee and the Board of Directors.

If there is a discrepancy between the actual distribution amount in the next year and the estimated amount, it shall be dealt with according to changes in accounting estimates, and the difference shall be recognized as the profit and loss of the following year.

3. Remuneration distribution approved by the Board of Directors:

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

Year of remuneration: 2023
Board approval date: March 12, 2024 Units: shares; NTD

Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
2,304,812	0	0	2,304,812	0	No difference	Not applicable	Not applicable

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

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

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

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

Employee remuneration				Director remuneration	Whether there is a difference with the estimated amount in the annual financial report of recognized expenses		
Cash amount	Stock amount	Number of shares	Total	Cash amount	Number of differences	Reason	Handling
267,000,000	0	0	267,000,000	200,000,000	No difference	Not applicable	Not applicable

Note: The amounts of the above board resolutions have been expensed in 2022, and there were no differences between the amounts of the expense accounts and the amounts proposed by the Board of Directors.

(IX) The Company's buybacks of its own shares: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stock: None.

IV. Issuance of overseas depository receipts: None.

V. Employee stock options: None.

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

VII. Mergers and acquisitions or the transfer of shares of other companies to issue new shares: None.

VIII. Plan for capital investment and utilization: None.

Five. Operations Overview

I. Business content

(I) Business scope

1. Business items

1 C105010 Edible Oil and Fat Manufacturing

2 C201010 Prepared Animal Feeds Manufacturing

3 A101020 Growing of Crops

4 A301030 Aquaculture

5 A401020 Raising of Livestock and Poultry

6 F203030 Retail Sale of Alcohol

7 C104020 Bakery Food Manufacturing

8 C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products

9 F101040 Wholesale of Livestock and Poultry

10 F101050 Wholesale of Fishery Products

11 F102170 Wholesale of Foods and Groceries

12 C103050 Manufacturing of Canning, Freezing, Dehydration, Pickled of Food

13 C805030 Plastic Daily Necessities Manufacturing

14 F201010 Retail sale of Agricultural Products

15 A102060 Food Dealers

16 C102010 Manufacture of Dairy Products

17 C109010 Manufacture of Seasoning

18 F101130 Wholesale of Vegetables and Fruits

19 C199020 Edible Ice Manufacturing

20 F399010 Convenience Stores

21 F301020 Supermarkets

22 H701020 Industrial Factory Development and Rental

23 H701050 Investment, Development and Construction in Public Construction

24 C199040 Beans Processed Food Manufacturing

25 H701010 Housing and Building Development and Rental

26 C110010 Beverage Manufacturing

27 C111010 Tea Manufacturing

28 F102030 Wholesale of Tobacco and Alcohol

29 F102040 Wholesale of Nonalcoholic Beverages

30 F102050 Wholesale of Tea Leaves

31 F106020 Wholesale of Daily Commodities

32 F107030 Wholesale of Cleaning Supplies

33 F108040 Wholesale of Cosmetics

34 F203010 Retail Sale of Food, Grocery and Beverage

35 F203020 Retail Sale of Tobacco and Alcoholic Beverages

36 F206020 Retail Sale of daily commodities

37 F207030 Retail Sale of Cleaning Supplies

38 F208040 Retail Sale of Cosmetics

39 JZ99050 Agency Services

40 C113011 Alcoholic Manufacturing

41 C113020 Alcohol Products Semi-Finished Manufacturing

42 C114010 Food Additives Manufacturing

43 F121010 Wholesale of Food Additives

44 F221010 Retail of Food Additives

45 ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

2. Business Contributions:

Product type	Business contribution
Oil products	57%
Feed products	3%
Food products	36%
Other	4%

3. The Company's current product items:

Soy flour products: Soy flour, high protein soy flour, full-fat cooked soy flour.

Oil products: Rice bran oil, sunflower oil, canola oil, soybean oil, palm oil, olive oil, grapeseed oil and blended oil series.

Oil products: Sunflower oil, canola oil, soybean oil, palm oil, olive oil, grapeseed oil and blended oil series.

Feed products: Milkfish, nile fish, sweetfish, striped bass, grouper, shrimp feed, and aquatic feed such as eels.

Food products: Sweet snack porridges led by our Grass Jelly and Mixed Congee products; Bing Jeon Black Teas that are popular among young people; Cheers sparkling water; Cheers EX; Taishan pure water and TwistWater water products with environmentally friendly packaging; Woo Tang, Ten Valley Treasure, Jenguyi Mixed Congee Pumpkin & Quinoa etc. Refrigerated products include grass honey, Bing Jeon Black Tea, plant-based nuts mild and Sunkist juice range products, as well as granular beverages such as the Big Straw range.

Liquors: Kaoliang liquor of Matsu Distillery.

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

(1) Bing Jeon range product development.

(2) Cheers Sparkling Water range product development.

(3) Development of large drinking straw products.

(4) Development of Sunkist's products.

(5) Development of new categories of cold storage lines.

(6) Development of product line for Fresh and Premium range.

(7) Bing Jeon range product development.

(8) Additive free range product development.

(9) Research on special oils for business channels.

(10) Research on differentiated consumer oil products.

(11) Desert range product development.

(12) Development of concentrate products for beverage machine.

(13) Product development of Kaoliang liquor of Matsu Distillery.

(II) Industry Overview

1. Industry status and development:

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

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

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

Liquors: Kaoliang liquor is a well-known product in the Chinese world. Kaoliang liquor is a sorghum-based distilled alcohol that is mainly consumed in Mainland China and Taiwan. The three major state-owned distilleries in Taiwan are the main manufacturers, and most of the distributors are responsible for distribution and sales.

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

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

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

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

Liquors: The main ingredient of Kaoliang liquor is great millet. Taiwan's production volume is low and most of the products are imported. Tobacco and alcohol specialty stores, hypermarkets, supermarkets, and producing areas of Kaoliang liquor are the main channels due to the duty-free policy.

3. Product development trends and competitive landscape:

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

Feed products: Climate change and environmental protection issues have caused difficulties in feeding. Breeders mostly improve water quality and management to increase production efficiency. Only products and services that can substantially reduce costs and increase revenue for breeders can win the favor of customers. In the future, the food chain can be integrated to create a win-win situation. The integration of joint management and feeding will become the goal of joint efforts for feed manufacturers and farmers. Moreover, fishermen are encouraged to reduce the cost of labor and plastic bags, upholding the concept of ESG environmental sustainability by switching from bagged feed to bulk feed. We successfully reduced 1,553 kg of plastics in 2023.

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

Liquors: Among the three major state-owned distilleries, Kinmen Distillery accounts for nearly 80% of the market. Based on the alcohol concentration, HeySong Corporation and Vedan Enterprise Corporation are entrusted to distribute them. In recent years, various factories have taken advantage of the long-lived nature of liquors to launch "limited" and "collectible" new products, and have further shined in various international spirits competitions. In recent years, the focus of customer base for Kaoliang liquor has been gradually shifted towards the middle-aged and old-aged, approaching the new beverage trend of the new generation.

(III) Technology and R&D Overview

1. Technical level of the business

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

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

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

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

A. The Beidou Livestock Farm obtained National Animal Husbandry Foundation production background verification in September 2009 and is subject to verification each year. The production process of pig raising, vaccination, and feeding is made open and transparent to offer consumers our quality assurance. 2023/05/10 Validation is again passed by the National Animal Industry Foundation.
B. Regarding Taisun brand pork verification, it passed Carrefour CQL international quality certification in 2014. Together with Shang Lee slaughtering and cutting technology, Carrefour's management in France verifies its validity every two years. Taisun's pork acquired Carrefou CQL certification on October 23 and has already been sold in the Carrefour Free Brand Market.
C. 2023/12/03 Beidou Farm received the Excellent Meat Award by Changhua Meat Market. The farm has won the award for four consecutive years.

3. Research and development

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

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

Year	R&D results
2022	(1) Refrigerated food: PE nut effect almond milk (oat granules) (2) Room temperature food: Salt Supply - Lemon, Fresh Fruit Water - Strawberry, Adult Series PET bottle - Pineapple Tea, Green Plum Tea, Honey Scented Black Tea, Oatmilk Peanut Soup (3) Commercial food (No. 1 can B): Longan Purple Rice Red Bean, Longan, Lotus Seed and Red Date Soup (4) Oil for business channel: Taishan cooking oil (18L)
2023	(1) Chilled foods: Lemon Yogurt Drink with Yummy Mixed Jelly, Sunkist Rich Orange Juice, Sunkist Rich Apple Vitality Juice PE Oat and Walnut Milk, Yogurt Walnut Milk, Grass Jelly & Winter Melon (2) Room temperature food: Honey Scented Green Tea, Winter Melon Grass Jelly, healthy white fungus, unlabeled Pure Water (3) Sparkling water: Cheers Plum (4) Commercial food (No. 1 can): Pure Grass Jelly (5) BIB beverage machine concentrate: Passion-flavored green tea, plum-flavored green tea (6) Differentiated consumer oils: Taishan Rice Bran Oil, Taishan Rice Bran Oil Spray

5. Research and development expenses invested in the most recent year and as of the publication date of the annual report

Unit: NT$ thousand

Year	2023	2024 up to March 31
Total cost	18,239	4,445

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

1. Long-term business development plan

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

Feed products: We imported the international food safety quality management system SQF (Safe Quality Food) in April 2016. We strive to establish a reliable feed image with higher value towards the expanded aquatic feed market, enhancing our brand image, increasing market share, and actively cooperating with refrigeration factory operators to increase the price of fish to buy to create a win-win situation. On June 16, 2020, Taiwan was removed from the list of food-and-mouth epidemic country, and in

response to the import of U.S. pork in 2021, the Breeding Division of Taisun teamed up with Shanglee Foods. On October 22, 2020, Carrefour announced the introduction of the “block-chain technology” for its strictly selected pork sold in its stores. With its independence, traceability and transparency, coupled with the optimization of pasture, farming management, meat processing and storefront sales, a more comprehensive traceability is created. Since October 2020, Carrefour CQL pork farming management includes food inspection, water quality inspection, vaccine and medication tracking. Feeds for each stage is ensured that it meets the needs of different pig ages, and hormones or growth hormones are strictly banned. The source and composition for feeds or medicine used in the feeding process are known and traceable. Through scanning the QR code, consumers are enabled to learn about the information in relation to pork from the farm to the processing and slaughtering, allowing peach of mind when consuming meat.

The Aqua Feed Production Department produces drug-free feed for medium and large pigs on its own pasture, so that the entire food chain can control food safety. In the future, the department will work with meat processing plants of the same industry to accelerate the integration of the food chain.

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

Liquors: Gradually expand the distribution of other categories of alcohol products, such as whiskey and wine. Use the experience in liquor management and distribution channels to serve other brands to enrich the product line of Taisun's liquor distribution.

2. Short-term business development plan

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

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

(1) Reduce plastic packaging for raw materials and switch to bulk materials. 4,878 kg of carbon was successfully reduced in 2023.

(2) We at the same time encourage fishermen to reduce labor and plastic bag costs, while abiding by the ESG concept of environmental sustainability by switching from bagged feed to bulk feed. 11,170 kg of carbon was successfully reduced in 2023.

Food products: Cheers, Cheers sparkling water, and Taisun pure water are the main brands of packaged water.

We will actively promote the three major brands and strengthen channel expansion to expand Taisun's influence in the water market. Star products Taisun Mixed Congee and Taisun Grass Jelly continue to be branded targeting the young generation, and reminding consumers to buy in off-season, and continue to maintain their leading position in the sweet canned dessert market.

In 2022, the Company will distribute Sunkist's for the first time. In addition to consolidating performance in the food and beverage market, the Company will also expand into modern channels and new channels to rejuvenate the brand.

Liquor products: We will strengthen the deployment of the distribution channels for Kaoliang liquor of Matsu Distillery, and expand and more comprehensive distribution of Kaoliang liquor. Moreover, we strive to gradually increase the popularity of Kaoliang liquor of Matsu Distillery through brand communication and new product launch.

II. Market, production, and sales overview

(I) Market analysis

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

Region / Product name	North	Central	South	East	Exported	Outer Islands
Cooking oil	48%	43%	9%	(Included in South)	—	
Soy flour	0%	98%	2%	–	—	
Feed products	12%	26%	62%	–	—	
Food and beverages	54%	22%	5%	(Included in South)	19%	
Liquors	30%	20%	20%	(Included in South)	—	30%

2. Market share

(1) Household oil products, 19%

(2) Food products (snacks), 46%

(3) Taisun water products 8.4%

3. Future supply and demand conditions and market growth

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

(2) Feed products:

In terms of the future supply and demand situation and growth of the market, we will research and develop feeds that pose no contamination on water quality with natural raw materials and the latest equipment and technology. We will also enhance the palatability and flavor of feeds, so that the fish can maintain their health

and energy, which will allow them to fully consume feed nutrients. We will do our utmost to maintain the safety of feeds while also providing a friendly breeding environment to improve product value and stable revenue.

According to the survey of feed production in Taiwan by the Council of Agriculture Executive Yuan, the market share is approximately 4%-5%.

(3) The overall domestic food and beverage industry market is active as major competing brands also continue to develop new products and invest in their brands.

In terms of strengthening the market share of our existing brands, we aim to make our brands more efficient through advertising investment. We will concentrate on the management of existing brands such as Taisun Bing Jeon, Pure Water, Cheers, Mixed Congee, Grass Jelly, Nuts Effect Almond Milk and Sunkist. In 2023, our Bing Jeon brand continued the theme of “My Turn” communicates with the younger consumer group about "dare to be yourself", and the Crayon Shin-chan joint limited edition packaging and promotional activities were launched to arouse consumers' collection frenzy and achieved the first place in terms of market share. Our Taisun Pure Water has been promoting the public welfare idea of “Taisun for Taishan” since 2019 and has been sponsoring elementary schools, junior high schools and senior high schools in Taishan District by providing subsidies and making sports towels and jerseys, making a contribution when it comes to nurturing new sports talents in Taiwan. The limited-time new product of Taisun Grass Jelly has created new highs in the popularity and discussion on the Internet, and the effect of brand rejuvenation has gradually emerged. Taisun Big Straw range is a refrigerated fresh beverage with jelly, which is unique. We will continue to observe the market trend and introduce new flavors.

In 2022, we became a distributor for Sunkist, and took over the foundation of the existing food and beverage channels. The goal is to continue to improve the performance of the food and beverage channels in 2024.

(4) Matsu Distillery will complete its new plant (Nangan Plant No. 2) in 2025, which will increase its production capacity by 10 times. There are two major challenges for the Taiwanese liquor market. One is aging consumers, and it is necessary to develop new consumer age groups. In addition, there is also fierce competition from foreign alcohol products and Kaoliang liquor makers need to be increasingly innovative so that young people will be willing to try spirits.

4. The Company's competitive niche

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

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

(2) Excellent partners

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

(3) Consumer-oriented product development

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

(4) Sound and complete marketing channels

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

(5) Perfect quality management and system verification

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

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

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

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

Industry	Advantages	Disadvantages	Measures taken in response
Oils	A. Our oil plant has obtained the highest third-tier level of international SQF certification in addition to earning halal certification. Food safety and quality lead the industry in line with international standards. B. Health awareness is rising, consumers are more accepting of the price of oil products, and they are willing to prudently choose good quality oils. C. Edible oil has stepped out of the bottom of the food safety valley, and its usage habits have changed as consumers' health awareness increases, making health-oriented, small packaging, and high-quality the mainstream of the oil market.	A. The main raw materials are imported from abroad, and the price of raw materials is easily affected by fluctuations in the international market and the cost is high. B. The soybean processing industry is more easily affected by overall domestic supply and demand. C. The household oil market has matured. After the pandemic, the overall sales of edible oils declined. D. The oil safety incident caused consumers to trust foreign brand oil products and it has not been easy to promote local brands.	A. Establish a professional procurement team, grasp the dynamics of international market information, and respond to the risk of price fluctuations. B. Grasp product import and export opportunities in response to changes in overall domestic supply and demand and international market conditions. C. Continue to research product innovation, bring health concepts into new products, enhance brand value, and strengthen marketing. D. Establish an image of peace of mind and trust with international food safety and quality certification.
Feed	A. The depreciation cost of the equipment of the feed factory is relatively low, and the manufacturing cost is relatively low, so it is quite competitive. B. The sales and R&D system primarily rely on undergraduate-level professionals who can be more integrated into customer management and solve customer husbandry and management problems. C. The Tianzhong plant is equipped with advanced twin-shaft extruder equipment, which can produce aquatic floating feed with highly competitive quality. D. A netless grinder was installed at the Tianzhong plant to grind the feed into fine powder for the fish, so that it can be fully absorbed in the intestines to enhance quality competitiveness. E. The Taisun brand represents food that connects the feed end to the food pathway and creates value in the food chain. F. Introduce SAFESTART foreign safety training to improve personnel safety awareness and improve the safety environment. G. Establish an energy committee group to effectively reduce energy costs.	A. The factory is in the Central region, and is only relatively competitive in this region. However, as the main aquatic product market is in the South, it is not easy to compete with feed manufacturers in that region due to increased transportation fuel prices as impacted by COVID-19. B. The main raw materials wheat, soybeans and fishmeal are mostly imported from abroad, which are susceptible to fluctuations in the international market, and cost control is relatively difficult. C. The aquaculture industry in Taiwan has distinct peaks and low seasons.	A. Transportation is concentrated in regional distribution, reducing the ratio of insufficient transportation volume to fill tonnage. B. In the off-season, flexible vacations will focus on production, and the M+3 demand will be stocked in advance to share the solid cost, and the burden of stocking in the peak season will be reduced. C. Master the quotations of international wheat, rapeseed meal, domestic rice bran, flour, and fishmeal every week to track and aggregate trend analysis charts, and report and place orders to reduce purchase costs. D. Rental of aquatic feed warehouses for finished products to facilitate distribution needs. E. The blank drug-free feed for medium and large pigs is produced to increase availability, and the Company also strives for OEM feed from customers.

Industry	Advantages	Disadvantages	Measures taken in response
Food and beverages	A. With more than 10 major brands, the quality is trusted by consumers, including Taisun Mixed Congee, Taisun Grass Jelly, Taisun Pure Water, Taisun Bing Jeon, Taisun Twist Water, Cheers, Cha Chi Chu, Mellow Tea, Big Straw, Zhen Gu Yi, Sunkist. B. Possessing professional and exclusive technology and equipment in the field of highly technically proficient canned sweets and granular beverages. C. Proactively develop new products, new brands and replicate successful experiences in order to create food and beverage experiences that exceed consumer expectations. D. Adopt a centralized and more effective marketing communication method. E. Enter the production technology of aluminum cans.	A. The scale of modern channels is expanding day by day, and the requirements for channel costs are constantly increasing. B. Food and beverage entry barriers are low and competition is fierce. C. Brand investment costs are high. D. The cost of packaging materials and raw materials is rising.	A. Integrate channels and brand investment resources and supporting facilities to improve cost-effectiveness and achieve profit targets. B. Persist in the development of new products that are natural and healthy with few additives, and ensure a safe and reliable source of raw materials. Enhance the sense of product value, and create differentiation. C. Closely monitor the cost trend of raw materials and respond as soon as possible to reduce adverse effects.
Liquors	A. Taisun has extensive experience in marketing and distribution, which helps increase the reputation and visibility of the wine. B. Matsu Distillery has several types of Kaoliang liquor that have won international awards. Among them, "Tong Yung X'Old Kao Liang Liquor" won the Platinum Award in the liquor category for the first time in Taiwan's history at the San Francisco World Spirits Competition, USA at the end of 2022, which is the highest honor in the history of Taiwanese spirits. C. Nangan Plant No. 2 will be completed in 2025, and the production capacity will be greatly increased.	A. Liquors of Matsu Distillery are produced in Matsu, and due to flight restrictions (weather), the supply is unstable. B. The price range of existing products of Matsu Distillery is relatively low. For the higher unit price of project products, the image of the brand needs to be strengthened. C. Due to its non-expiry characteristic, spirits are often stored, resulting in high inventory levels and impacting cash flow.	A. In the future, the Nangan Plant No. 2 will be completed, and the capacity deployment and transportation plan will be more flexible. B. Strengthen the concept of brand building and unique benefits of project products. C. Carefully select purchase items to prevent a large number of low-rotation products from occupying the inventory level.

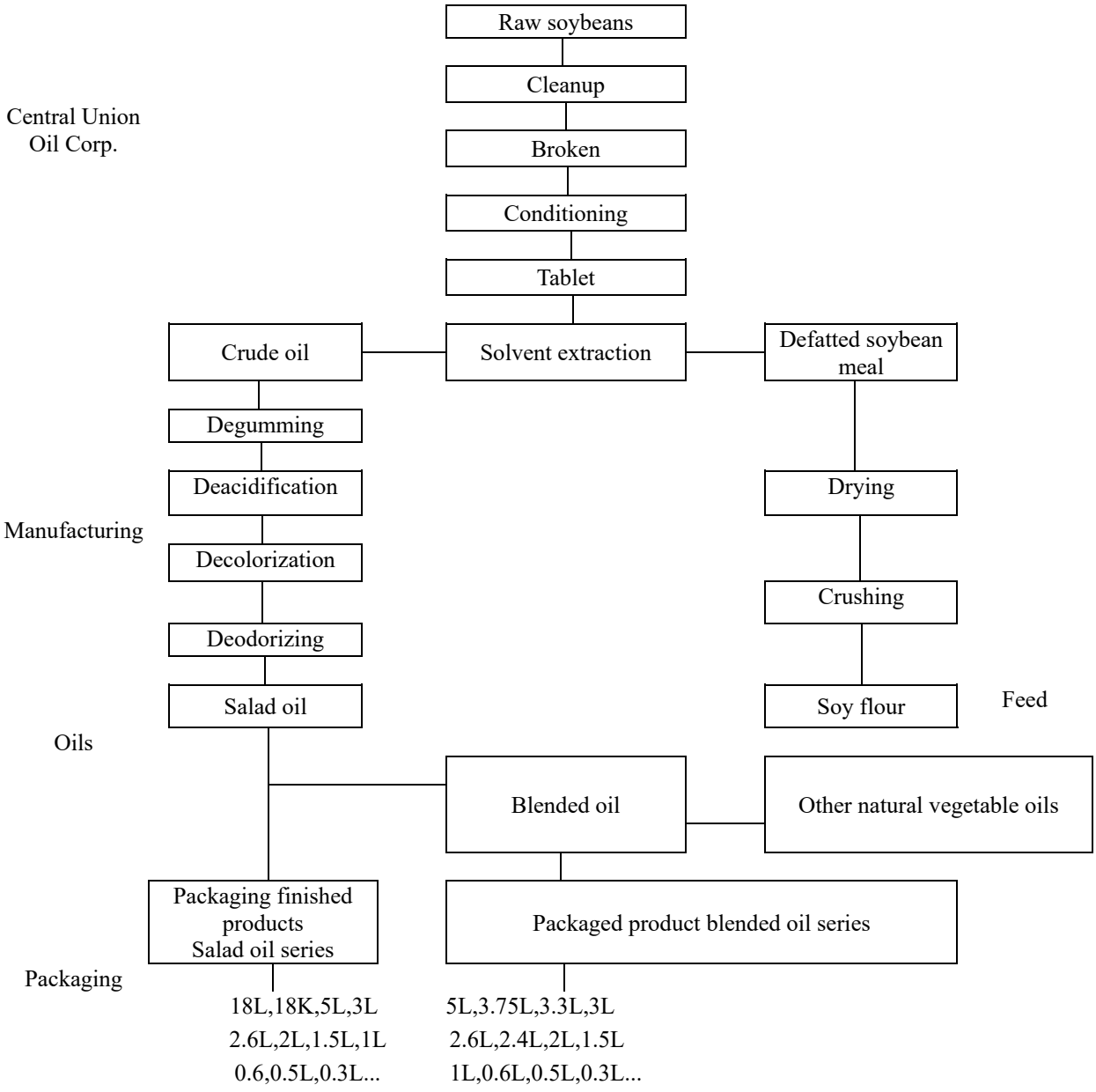
(II) The purposes and production processes of our main products:

1. Purpose of main products

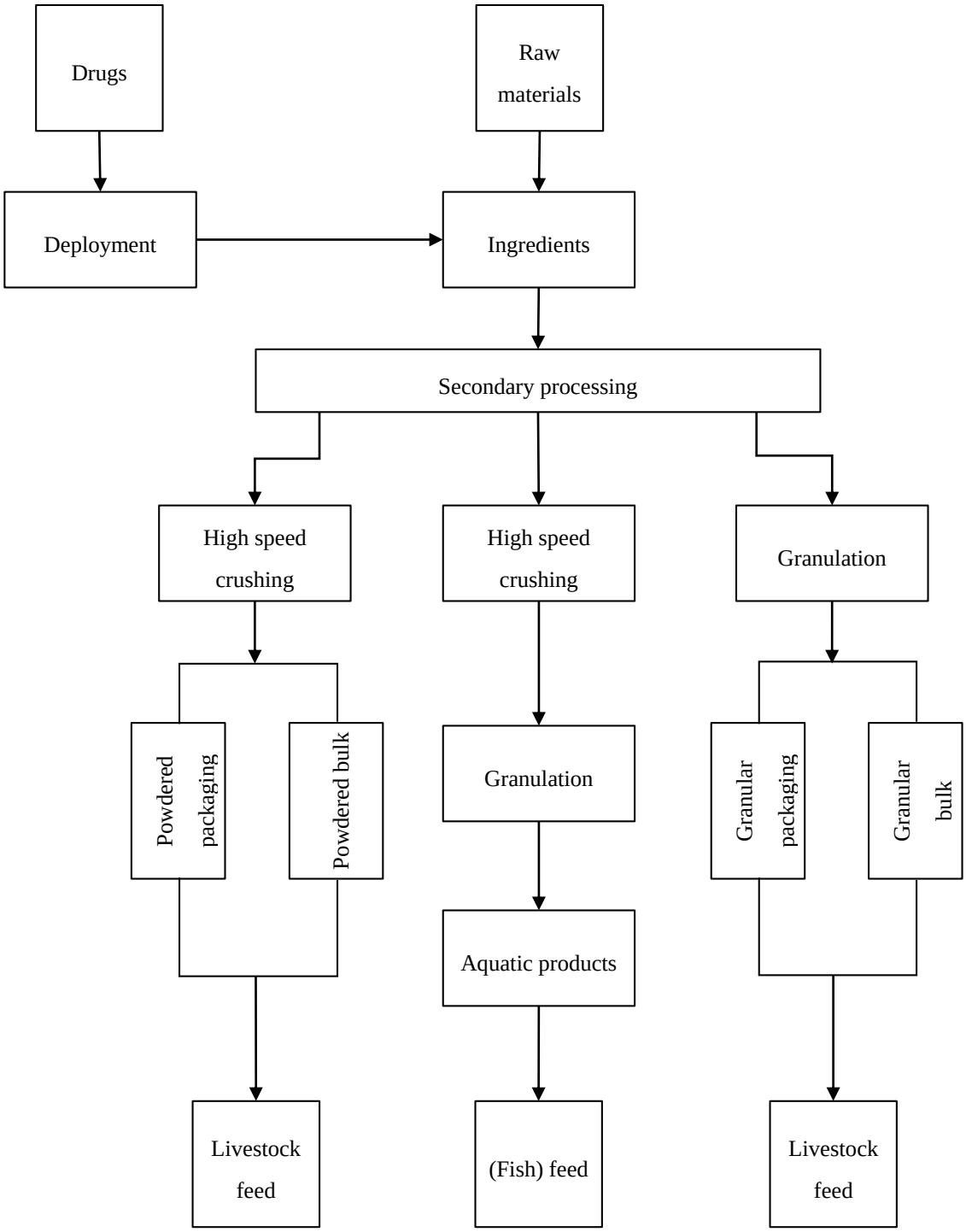
- Oil products - Soybean flour (for feed ingredients), salad oil (for household and restaurant cooking).
- Feed products - various aquatic feeds, drug-free feed for medium and large pigs of the breeding division.
- Food and beverages - Snacks that can be eaten when opened, and thirst quenching solutions in an open bottle.

2. Production processes of main products

(1) Production process of the oil factory

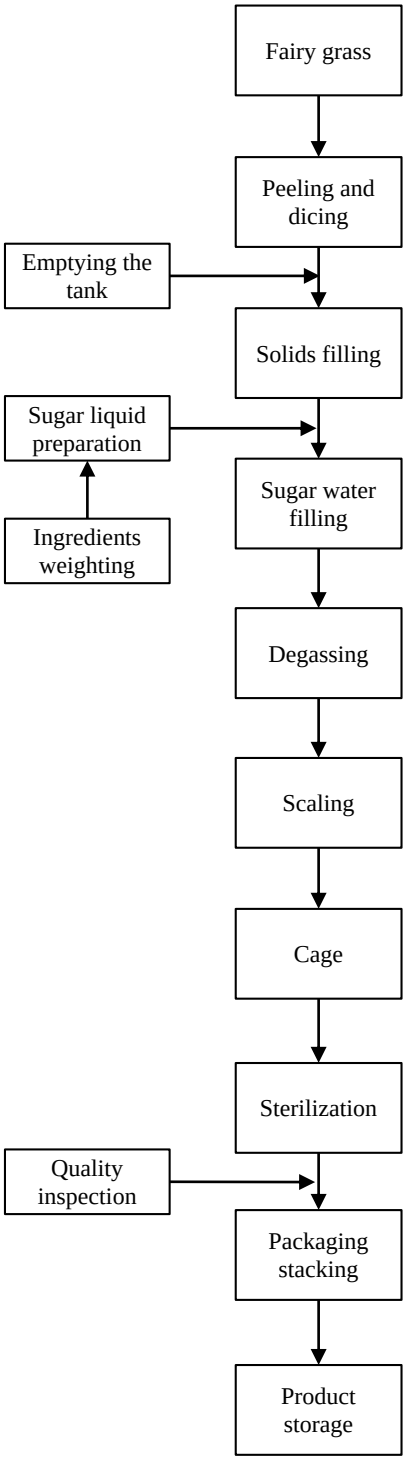


(2) Production flow chart of feed factor

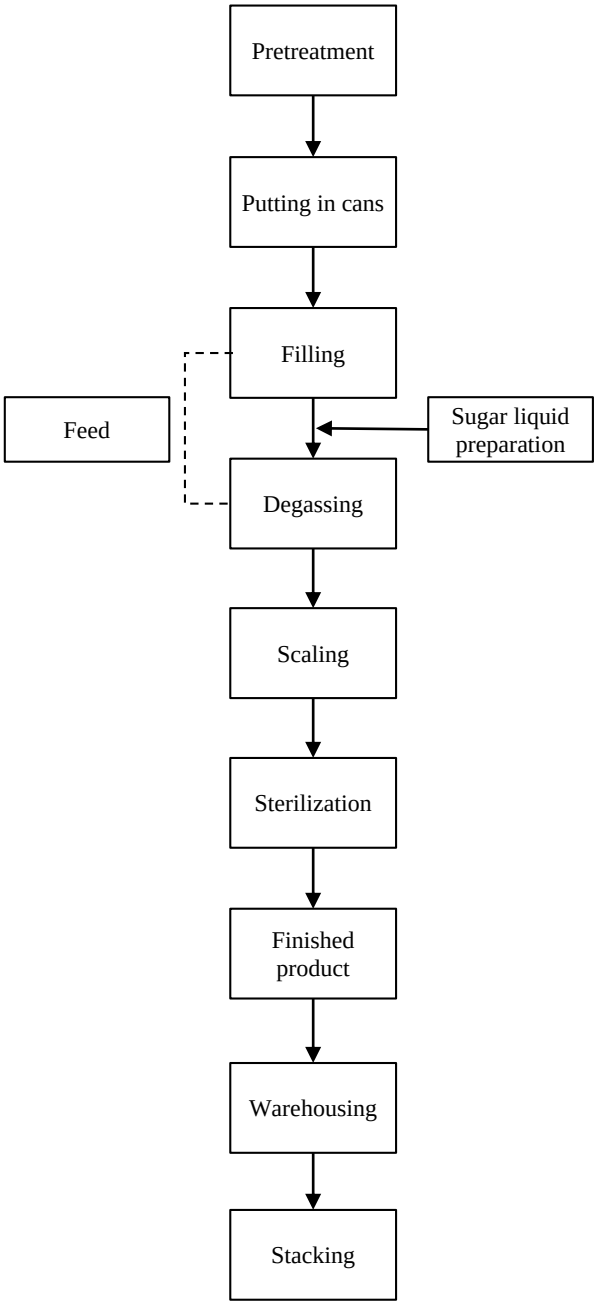


(3) Process drawing of main products of food factory

A. Grass Jelly



B. Mixed congee



(III) Supply status of main raw materials

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

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

(1) Information on major suppliers

	2022				2023			
Item	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net purchases (%)	Relationship with the issuer
1	100191	1,342,792	13.94	Non-related person	100189	1,619,996	18.31	Non-related person
2	100195	829,017	8.60	Non-related person	100191	947,076	10.70	Non-related person
3	100188	680,304	7.06	Non-related person	500774	531,720	6.01	Non-related person
4	Other	6,782,951	70.40		Other	5,749,067	64.98	
	Net purchase	9,635,064	100		Net purchase	8,847,859	100	

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

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

(2) Major sales customer data

	2022				2023			
Item	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer	Name	Amount	Percentage of total annual net sales (%)	Relationship with the issuer
1	C0002	2,904,789	26.24	Related person	C0002	2,921,364	26.02	Related person
2	C1000-H002	824,483	7.45	Non-related person	C1000-H002	902,103	8.03	Non-related person
3	100000145	378,112	3.42	Non-related person	100000145	379,222	3.38	Non-related person
4	Other	6,962,056	62.89		Other	7,025,736	62.57	
	Net sales	11,069,440	100		Net sales	11,228,425	100	

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

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

(V) Production value for the last two years

Table on the production value for the last two years

Units: Thousand containers, tons, NTD thousand

Year / Production value / Major products (or department)	2023			2022		
	Capacity	Yield	Output value	Capacity	Yield	Output value
Oil factory	240,000	222,298	5,613,415	240,000	229,697	6,248,492
Feed mill	36,000	229,697	361,107	36,000	16,677	422,595
Food factory	28,055	229,697	2,824,157	28,055	17,654	2,852,197
Service			363,572			390,856
Lease			1,207			1,222
Total			9,163,458			9,915,362

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

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

Units: Thousand containers, tons, NTD thousand

Year / Sales by volume / Major products (or department)	2023				2022			
	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Oil factory	247,288	6,442,084			232,286	6,268,442		
Feed mill	13,488	356,790			17,216	443,426		
Food factory	17,043	3,528,084	3,316	500,455	17,008	3,520,591	2,904	408,872
Service		388,184				415,876		
Lease		12,828				12,233		
Total		10,727,970	3,316	500,455		10,660,568		408,872

III. Employee data

Year		2022	2023	As of March 31, 2024
Number of employees	Employee	599	589	564
	Technical staff	168	181	172
	Managers	187	186	185
	Total	954	956	921
Average age		42.83	42.89	43.27
Average years of service		9.88	7.87	8.13
Education distribution ratio	PhD	0%	0%	0.00%
	Master Degree	6.92%	6.90%	6.84%
	University	45.39%	46.13%	46.25%
	Senior High School	36.37%	36.09%	36.37%
	Below high school	11.32%	10.88%	10.53%

Note: Excluding contract personnel

IV. Environmental protection expenditure data

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

Year / Item	2023	As of March 31, 2024
Type of condition	None	None
Sanctioning unit	None	None
Penalty amount	$0	$0

(II) Future countermeasures: The Company's promotion and management of environmental pollution improvements:

1. Operation of environmental pollution improvements:

(1) At our food factory, palm kernel shells have been used since 2014. We have also switched to wood pellet biomass fuels made from pruned roadside branches or recycled agricultural and forestry waste including driftwood in 2018. As a means to meet higher standards of air pollution emissions, we also began to use fuel made from pelletized log shaving to reduce the generation of slag and dioxins in 2020. By making efforts to recycle and reuse, we at the same time reduce CO2 emissions which is beneficial to the environment. With the use of pure wood pellets for raw materials in 2020, we further improved the combustion rate. The slag output was significantly reduced by 65.57 tons, or 48%.

(2) In order to cooperate with the government to reduce the pollution from factory boiler flues, the aquatic feed factory installed a boiler scrubber in October 2017 to allow the emitted suspended particulates and sulfur oxides to comply with regulations. In addition, the boiler of the second plant of Taizhong Foods was also

changed to use natural gas as fuel in September 2019, and the aquatic product plant also replaced the boiler fuel in November 2019. Regular inspections were carried out in and the results met the new regulatory emission standards; the combustion efficiency was also increased from 83% to 91.7%. Furthermore, through the manufacturer's assistance in monthly testing of combustion efficiency and emission gas monitoring, this will greatly reduce the pollution caused by boiler combustion emissions. In line with the EPA's stationary source emission standard amended on July 1, 2020, our food factory also began to use the light cracking oil since March 2020. Although such method is only for short-term, it required no equipment replacement to meet the air pollution standard.

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

2. Future improvements and practices:

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

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

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

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

(5) Propose to replace the natural gas boiler with oil furnace, expected to be completed in the third quarter of 2024.

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

Item \ Year	2023	2024
Equipment and operating costs	NTD 17 million	*26.4 million
Packaging material environmental protection fees	NTD 53.1 million	NTD 50 million

※1. Approximately NTD 3 million for the regular inspection of boilers and the maintenance of air pollution prevention equipment.

※2. Approximately NTD 23.4 million for the boiler and surrounding facilities.

4. Impact after improvement:

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

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

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

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

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

(6) To fulfill social responsibilities, enhance customers' trust in environmental protection and product quality,

and further gain public recognition of the Company so as to increase product competitiveness and market share.

V. Labor relations

1. Employee benefits

In order to provide diversified benefits, we have established the "Employee Welfare Committee of Taisun Enterprise Co., Ltd." and the "Employee Welfare Committee of Pin-Tai Distribution Enterprise Co., Ltd." in accordance with the law. They are responsible for planning and implementing various welfare programs. In addition to the benefits that are provided in accordance with the law, we strive to create a happy workplace and provide benefits that are beyond the law to meet the needs of individual employees and their families. The Company allocates 0.05% of its total revenue as a welfare fund every month to support welfare measures. At the same time, the Employee Welfare Committee meetings are held on a regular basis. In 2023, as the pandemic situation slowed down, the Company resumed cultural and recreational activities and provided children's scholarships, respected for the elderly on Double Ninth Festival, and three festivals, etc. The amount of subsidies increased, and the amount of expenditure reached NTD 8,130,746.

(1) The Company complies with the statutory leave system and attaches great importance to the management of employees' working hours. The Company provides a number of welfare measures such as lunch subsidies, employee accommodation, flexible working hours, etc., and assigns visually impaired masseuses to enter the Company to provide services to colleagues. We also provide an EAP employee assistance program to take care of employees' physical and mental health. We also provide maternity leave, paternity exams, and paternity leave in accordance with the law to ensure that employees have sufficient rest and support at this critical stage. We have formulated the "Pension Supervisory Committee Charter" and "Retirement Management Regulations". At the same time, we implement the re-appointment system for retired employees to provide opportunities for employees to continue to participate in the Company's affairs and maintain their vitality.

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

2. Talent cultivation and inheritance

Talent is one of the Company's most valuable assets. Through a good cultivation and inheritance mechanism, the Company enhances the competitiveness of employees internally, attracts talented people with professional knowledge and skills externally, and provides diversified channels for external recruitment. By doing this, we are able to move steadily towards long-term development.

Each year, according to the Company's strategy and department needs, the education and training needs survey and analysis and budget preparation are conducted to provide a full range of education and training.

Training is provided for different levels, including strategic courses, management function courses, professional function courses, general knowledge courses and new recruit training courses and other courses. With the ever-changing external environment, cultivation and inheritance enable the Company to face the challenges more flexibly. A culture of continuous learning helps improve the adaptability and innovation ability of employees, so that they can more effectively respond to market changes.

In response to the pandemic in the past few years, we have actively adopted to the change of online teaching, so that employees can flexibly and unrestrictedly take computer learning to improve the convenience and accessibility of learning. Through targeted training, the Company demonstrates the importance of the future development of its employees, enhances employee satisfaction and loyalty, and reduces the loss of talent. In 2023, a total of 65,703 person-times and 24,780.1 hours of training were completed.

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

(2) The "Cross-Generation Management Course" was organized to enable supervisors to understand the new-generation talent management mindset and establish effective communication.

(3) We arranged the "Employee Care and Problem Solving Course" to enhance the sensitivity of supervisors towards common workplace crises, identify employees with high care needs, discover early signs of employees' behaviors, increase employee retention rate, and improve supervisors' care skills and handling ability.

(4) We organized the "MTP Management Training Course for Basic Managers" in order to strengthen the management ability of basic level managers, improve the problem analysis and solution ability, effectively cultivate the leaders and subordinates, promote the execution of team operation and execution, and improve the performance of the team.

(5) We arranged the "M365 Foundation Course", "Presentation Skills Foundation Course", and "EXCEL Office Essential Skills Course" in order to strengthen employees' office computer skills, improve the quality of projects, and increase work efficiency.

(6) Implement health and safety education and training, including occupational safety and health courses for new recruits, workplace safety protection education and training, health seminars and other general courses, to improve employees' awareness of work safety and health knowledge.

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

■2023 Employee Training (Employee Type)

Gender	No. of Persons	Persons/Hours	Supervisors	Production Personnel	Marketing Personnel	Administrative Personnel	Total	Average
Male	390	No. of Persons	10,680	6,045	2,537	3,977	23,239	
		Proportion	69.67%	29.27%	56.96%	15.74%	35.37%	
		No. of Hours	4,297.31	4,040.82	963.23	1,578.28	10,879.64	27.90
		Proportion	67.23%	42.81%	54.50%	21.98%	43.90%	
Female	273	No. of Persons	4,650	14,605	1,917	21,292	42,464	
		Proportion	30.33%	70.73%	43.04%	84.26%	64.63%	
		No. of Hours	2,094.81	5,399.04	804.18	5,602.43	13,900.46	50.92
		Proportion	32.77%	57.19%	45.50%	78.02%	56.10%	
Total	663	No. of Persons	15,330	20,650	4,454	25,269	65,703	
		No. of Hours	6,392.12	9,439.86	1,767.41	7,180.71	24,780.10	37.38

■2023 Employee Training (By Function)

Gender	Training System	Self-Motivation	Professional Functions	Liberal Education	Strategic	Newcomer Training	Management Functions	Total
Male	No. of Persons	4	229	22,598	14	211	183	23,239
	Proportion	40.00%	47.41%	35.06%	46.67%	48.28%	62.89%	35.37%
	No. of Hours	4.00	820.16	8,552.48	31.00	399.00	1,073.00	10,879.64
	Proportion	40.00%	41.75%	42.32%	50.00%	45.70%	64.52%	43.90%
Female	No. of Persons	6	254	41,854	16	226	2019	42,464
	Proportion	60.00%	52.59%	64.94%	53.33%	51.72%	37.11%	64.63%
	No. of Hours	6.00	1,144.11	11,655.20	31.00	474.00	590.15	13,900.46
	Proportion	60.00%	58.25%	57.68%	50.00%	54.30%	35.48%	56.10%
Total	No. of Persons	10	483	64,452	30	437	291	65,703
	No. of Hours	10.00	1,964.27	20,207.68	62.00	873.00	1,663.15	24,780.10

3. Retirement system and implementation

Our retirement application and grant standards are handled in accordance with the “Labor Standards Act” and “Labor Pension Act”. Prior to retirement, we organize a farewell party for the employee who is due to retire and such employee will be awarded a “Taisun Achievement” medal as a token of our gratitude and blessings. Employees who opt for the new pension system - their years of service will be retained and their pension paid upon retirement in accordance with the Workers' Retirement Reserve Funds. The years of service for those who opt for the new system will be subject to the requirements of the “Labor Pension Act”, meaning 6% of their monthly pension contributions is paid to their personal labor pension account set up by the Bureau of Labor Insurance. Since 2020, wage contributions have been adjusted every three months, better than twice a year prescribed by the law. In doing this, we ensure that the employees’ retirement contributions are more consistent with their wages. Contributions for employees who opt for the old pension system are allocated in accordance with Article 56 of the “Labor Pension Act”. At present, the account balance exceeds the demand by a large

amount. In order to protect the rights and interests of our employees for their future retirement, 2% of their monthly wages is allocated to the pension reserve account of Bank of Taiwan. As the account has excess reserves, based on the idea of the revitalization of retirement management, and take into account operational needs, manpower needs and legacy, we consult employees who have served the Company for over 30 years for their willingness to be rehired after their seniority is settled by retiring. By taking this approach, employees are able to use their pension in advance and continue to work for the Company and be eligible for contributions under the new labor pension system.

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

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

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

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

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

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

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

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

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

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

(9) Support employee growth and career development: Provide training plans, training time and funding

subsidies, encourage employees to take the initiative to make arrangements, keep pace with the times, improve the completeness of capabilities, and develop suitable talent.

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

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

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

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

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

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

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

VI. Cyber Security management

(I) Describe the cybersecurity risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

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

1. Cybersecurity management strategy and structure

(1) Information security organization and operations:

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

We implement the information security strategy formulated by the information security management committee to ensure that the internal personnel comply with information security-related guidelines, procedures and regulations. Furthermore, the information security management committee holds a review meeting at least once a year to go over and resolve the information security policy, implementing the effectiveness of the security management measures. The information security audit performs an internal audit every year, while the Company's audit department performs an information security audit every year. If there is any deficiency, it is required to propose relevant improvement plans and report to the board of directors, and regularly track the improvement results to reduce internal information security risks. The operation and execution of information security risk management in 2022 will be reported to the Board of Directors on 2023/12/21.

(2) Information security policy:

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

incidents, disaster drills, etc. According to the planning, implementation, audits and action management cycle, the applicability of the information security policy and protection measures are examined. ❶Additionally, the implementation status is regularly reported back to the information security management committee to further ensure the continuous operation of business activities and the stable use of information services. ❷ Ensure the confidentiality, integrity and availability of the information assets in custody, and protect the privacy of personnel data. ❸ Establish an information business continuity operation plan, and implement information business activities that meet the requirements of relevant laws and regulations.

(3) Specific management measures:

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

2. Cybersecurity risks and response measures:

Although we have built network and computer-related information security protection measures, we cannot guarantee that the Company's computer systems with important operations and accounting and other functions are completely protected from network attacks by third-party systems. Under the situation of a serious cyber, our system may lose important company data and shipments may also suffer. Malicious hackers are able to attempt to import computer viruses and ransomware into our network systems to interfere with operations of the Company. They may also extort or blackmail to gain control over computer systems or to spy on confidential data. These attacks may cause the Company to suffer as a result of delayed or interrupted orders,

leading to the Company having to compensate the customer for losses. As well as this, such occurrence may also expose the Company to liability with respect to legal investigations arising from leaks of information from employees, customers or third parties, to whom the company has a duty of confidentiality. At Taisun, we continue to review and evaluate our information security rules and procedures and introduce new technologies to enhance endpoint protection and information protection, strengthen employees' information security awareness and social engineering exercises. By making this effort, we ensure the suitability and effectiveness of the rules. However, we cannot guarantee that the Company will not be impacted by new risks and attacks in the face of rapidly changing information security threats.

(II) Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year as of the publication date of the annual report, state the reasons if losses cannot be reasonably estimated:

In November 2023, hackers stole the management account of Taisun's Facebook fan page, which aroused the attention of the media and netizens. The reason was that the account administrator did not use 2-step verification, leading to the incident. This incident did not affect the Company's operations, personal information, or network systems. Taisun has taken improvement measures to prevent recurrence. Taisun has set up a 2-step verification, formulated social media management procedures, and limits administrators and has the account managed by a dedicated department.

VII. Important contracts

Contract nature	Parties	Contract start and end dates	Primary content	Restriction clauses
Engineering contract	ShinChang Natural Gas Co.,Ltd.	2019.06.06~2024.06.05	Natural gas equipment installation engineering	Not to be transferred or loaned to a third party
Technical service contract	Everpro Technology Document System	2023.11.10~2024.12.31	Group electronic document system	Total amount: NTD 1 million
Technical service contract	SAP Taiwan Co., Ltd.	2023.12.29~2024.12.31	SAP MA, BI system	Total amount: NTD 7,826,191
Engineering contract	Bin Rong Construction Co., Ltd.	2023.11.20~2024.04.30	Food factory expansion project	Total construction cost: NTD 8.2 million
Engineering contract	Energy Bright Co., Ltd.	2023.12.19~2024.05.18	Food factory boiler addition project	Total construction cost: NTD 11 million
Procurement contract	Matsu Distillery	2022.09.01~2025.08.31	Matsu Distillery distribution	
Repayment of long-term borrowings	Jih Sun International Bank	2020.10.30~2023.07.21	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	Taishin Bank	2020.11.04~2023.11.03	Guaranteed loans	As stipulated in the credit agreement
Repayment of long-term borrowings	DBS Bank	2021.10.15~2024.10.15	Credit loans	As stipulated in the credit agreement

Six. Financial Overview

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

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

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

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)				
		2023	2022	2021	2020	2019
Current assets		5,498,353	12,100,730	4,581,044	3,218,671	3,561,612
Disposal of property, plant and equipment (Note 2)		1,954,801	1,988,740	1,947,298	1,798,417	1,714,062
Intangible assets		154	612	1,869	4,411	7,045
Other assets (Note 2)		6,225,856	2,564,522	4,108,065	4,218,766	3,946,628
Total assets		13,679,164	16,654,604	10,638,276	9,240,265	9,229,347
Current liabilities	Before distribution	1,362,023	3,856,578	2,361,918	1,375,246	1,698,218
	After distribution	(Note 3)	4,141,506	2,861,917	2,075,245	2,148,217
Non-current liabilities		233,073	230,167	1,285,231	833,417	925,956
Total liabilities	Before distribution	1,595,096	4,086,745	3,647,149	2,208,663	2,624,174
	After distribution	(Note 3)	4,371,673	4,147,146	2,908,662	3,074,173
Shareholders Equity Attributable to Parent Company		12,078,659	12,562,672	6,985,982	7,026,465	6,599,888
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	4,999,990
Additional paid-in capital		1,014,497	1,006,742	993,134	974,083	961,786
Retained earnings	Before distribution	6,359,748	6,731,611	1,302,687	1,332,145	949,056
	After distribution	(Note 3)	6,446,683	802,688	632,146	499,057
Other equity interest		(91,700)	28,205	(105,953)	(75,877)	(107,068)
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)
Non-controlling interests		5,409	5,187	5,145	5,137	5,285
Total owners' equity	Before distribution	12,084,068	12,567,859	6,991,127	7,031,602	6,605,173
	After distribution	(Note 3)	12,282,931	6,491,128	6,331,603	6,155,174

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

Note 2: No asset revaluation was conducted in any of these years.

Note 3: The Board of Directors resolved not to distribute dividends for 2023.

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

Unit: NTD thousand

Item \ Year		Financial data for the last five years (Note 1)				
		2023	2022	2021	2020	2019
Current assets		4,959,862	11,465,758	4,100,485	2,874,130	3,244,320
Disposal of property, plant and equipment (Note 2)		1,705,771	1,731,135	1,677,382	1,529,582	1,427,406
Intangible assets		107	519	1,730	4,225	6,911
Other assets (Note 2)		6,658,502	3,023,193	4,446,681	4,427,100	4,064,457
Total assets		13,324,242	16,220,605	10,226,278	8,835,037	8,743,094
Current liabilities	Before distribution	1,018,745	3,431,179	1,963,540	982,967	1,228,206
	After distribution	(Note 3)	3,716,107	2,463,539	1,682,966	1,678,205
Non-current liabilities		226,838	226,754	1,276,756	825,605	915,000
Total liabilities	Before distribution	1,245,583	3,657,933	3,240,296	1,808,572	2,143,206
	After distribution	(Note 3)	3,942,861	3,740,295	2,508,571	2,593,205
Share capital		4,999,990	4,999,990	4,999,990	4,999,990	4,999,990
Additional paid-in capital		1,014,497	1,006,742	993,134	974,083	961,786
Retained earnings	Before distribution	6,359,748	6,731,611	1,302,687	1,332,145	949,056
	After distribution	(Note 3)	6,446,683	802,688	632,146	499,057
Other equity interest		(91,700)	28,205	(105,953)	(75,877)	(107,068)
Treasury shares		(203,876)	(203,876)	(203,876)	(203,876)	(203,876)
Total owners' equity	Before distribution	12,078,659	12,562,672	6,985,982	7,026,465	6,599,888
	After distribution	(Note 3)	12,277,744	6,485,983	6,326,466	6,149,889

Note 1: Each year's unconsolidated financial report is verified by accountants.

Note 2: No asset revaluation was conducted in any of these years.

Note 3: The Board of Directors resolved not to distribute dividends for 2023.

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

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

Item \ Year	Financial data for the last five years (Note 1)				
	2023	2022	2021	2020	2019
Operating revenue	11,228,425	11,069,440	9,944,978	8,356,125	8,000,584
Operating margin	1,549,640	1,445,589	1,536,158	1,640,499	1,455,470
Operating income (loss)	(62,566)	(392,382)	209,357	316,542	160,207
Non-operating revenue and expenditures:	185,458	6,603,532	426,279	589,508	461,429
Net profit (loss) before tax	122,892	6,211,150	635,636	906,050	621,636
Net profit (loss) for the period from continuing operations	(80,635)	5,918,572	592,011	851,541	582,201
Losses from discontinued business units	—	—	—	—	—
Net profit (loss) for the current period	(80,635)	5,918,572	592,011	851,541	582,201
Other comprehensive incomes in current period (net of taxation)	(125,983)	130,052	48,669	12,979	9,506
Total comprehensive income of the current period	(206,618)	6,048,624	640,680	864,520	591,707
Net profit attributable to owners of the parent company	(80,870)	5,918,495	591,827	851,078	582,073
Net profit attributable to non-controlling interests	235	77	184	463	128
Total comprehensive profit and loss attributable to the owners of the parent company	(206,840)	6,048,582	640,465	864,279	591,560
Total comprehensive profit and loss attributable to non-controlling interests	222	42	215	241	147
Earnings per share	(0.17)	12.17	1.22	1.75	1.2

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

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

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

Item \ Year	Financial data for the last five years (Note 1)				
	2023	2022	2021	2020	2019
Operating revenue	9,724,014	9,615,949	8,622,713	7,140,795	6,837,543
Operating margin	962,645	882,066	1,015,577	1,157,324	1,008,828
Operating income (loss)	(152,700)	(500,290)	111,324	235,850	117,174
Non-operating revenue and expenditures:	265,242	6,706,533	516,800	664,282	494,545
Net profit (loss) before tax	112,542	6,206,243	628,124	900,132	611,719
Net profit (loss) for the period from continuing operations	(80,870)	5,918,495	591,827	851,078	582,073
Losses from discontinued business units	—	—	—	—	—
Net profit (loss) for the current period	(80,870)	5,918,495	591,827	851,078	582,073
Other comprehensive incomes in current period (net of taxation)	(125,970)	130,087	48,638	13,201	9,487
Total comprehensive income of the current period	(206,840)	6,048,582	640,465	864,279	591,560
Earnings per share	(0.17)	12.17	1.22	1.75	1.2

Note 1: Each year's unconsolidated financial report is verified by accountants.

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

Year	Name of CPA	Auditor opinion
2019	Chih Shih-Chin, Chen Tsong-Che	Unqualified Opinion
2020	Tseng Kuo-Yang, Chen Tsong-Che	Unqualified Opinion
2021	Huang Hsin-Ting, Tseng Kuo-Yang	Unqualified Opinion
2022	Huang Hsin-Ting, Tseng Kuo-Yang	Unqualified Opinion
2023	Lin Su-Wen, Yang Chih-Hui	Unqualified Opinion

II. Financial analysis for the last five years

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

Analysis item \ Year		Financial data for the last five years (Note 1)				
		2023	2022	2021	2020	2019
Financial structure (%)	Debt to assets ratio	11.66	24.54	34.28	23.90	28.43
	Ratio of long-term funds to property, plant and equipment	629.82	643.26	424.75	437.04	439.06
Solvency %	Current ratio	403.69	313.77	193.95	234.04	209.73
	Quick ratio	253.11	262.01	134.88	167.54	156.06
	Interest coverage ratio	6.86	230.94	56.96	63.88	33.22
Management capacity	Turnover rate of accounts receivable (times)	7.77	7.72	7.81	7.48	7.53
	Average cash collection days	46.97	47.27	46.73	48.79	48.47
	Inventory turnover (times)	6.5	8.26	12.63	10.42	9.9
	Payable turnover rate (times)	16.40	16.11	15.21	13.55	16.03
	Average sales days	56.15	44.18	28.89	35.02	36.86
	Turnover rate of property, plant and equipment (times)	5.69	5.62	5.31	4.76	4.71
	Total asset turnover (times)	0.74	0.81	1.00	0.90	0.89
Profitability	Return on assets (%)	(0.42)	43.53	6.05	9.34	6.63
	Return on equity (%)	(0.66)	60.55	8.45	12.49	8.96
	Ratio of profit before tax to paid-in capital (%)	2.46	124.22	12.71	18.12	12.43
	Net profit rate (%)	(0.72)	53.47	5.95	10.19	7.28
	Earnings per share (NTD)	(0.17)	12.17	1.22	1.75	1.2
Cash flow	Cash flow ratio (%)	(68.28)	(11.17)	(11.58)	29.77	21.27
	Cash flow adequacy ratio (%)	(17.02)	8.12	23.11	33.08	25.23
	Cash reinvestment ratio (%)	(8.59)	(6.29)	(9.53)	(0.30)	(0.42)
Leverage	Operating leverage	(8.19)	(1.09)	3.26	2.59	4.04
	Financial leverage	0.75	0.94	1.06	1.05	1.14

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

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

Analysis item \ Year			Financial data for the last five years (Note 1)				
			2023	2022	2021	2020	2019
Financial structure (%)	Debt to assets ratio		9.35	22.55	31.69	20.47	24.51
	Ratio of long-term funds to property, plant and equipment		721.40	738.79	492.60	513.35	526.47
Solvency %	Current ratio		486.86	334.16	208.83	292.39	264.15
	Quick ratio		299.35	279.47	141.69	204.68	193.63
	Interest coverage ratio		6.45	234.47	59.97	80.28	36.47
Management capacity	Turnover rate of accounts receivable (times)		6.64	6.75	6.86	6.62	6.73
	Average cash collection days		54.93	54.1	53.20	55.12	54.22
	Inventory turnover (times)		6.35	8.07	12.52	9.94	9.39
	Payable turnover rate (times)		17.01	16.74	15.82	13.87	16.37
	Average sales days		57.50	45.22	29.15	36.72	38.87
	Fixed asset turnover (times)		5.66	5.64	5.38	4.83	4.87
	Total asset turnover (times)		0.66	0.73	0.90	0.81	0.8
Profitability	Return on assets (%)		(0.44)	44.92	6.30	9.79	6.96
	Return on equity		(0.66)	60.55	8.45	12.49	8.96
	Percentage of paid-in capital	Operating Income	(3.05)	(10.01)	2.23	4.72	2.34
		Profit before tax	2.25	124.13	12.56	18.00	12.23
	Net profit rate (%)		(0.83)	61.55	6.86	11.92	8.51
	Earnings per share (NTD)		(0.17)	12.17	1.22	1.75	1.2
Cash flow	Cash flow ratio (%)		(99.56)	(16.35)	(21.55)	26.11	21.55
	Cash flow adequacy ratio (%)		(30.88)	(0.89)	15.06	29.65	26.92
	Cash reinvestment ratio (%)		(9.45)	(7.51)	(11.73)	(2.12)	(1.53)
Leverage	Operating leverage		(2.13)	(0.43)	4.27	2.64	4.18
	Financial leverage		0.88	0.95	1.11	1.05	1.17

Note 1: Each year's unconsolidated financial report is verified by accountants.

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

Taisun Enterprise Co., Ltd.
Audit Committee's Audit Report

The Board of Directors prepared the Company's 2023 annual business report, financial statements, and statement of earnings distribution, among which the financial statements were verified by CPAs Lin Su-Wen, Yang Chi-Hui of EY Taiwan, and a verification report was issued. The business report, financial statements (including consolidated financial statements) and statement of earnings distribution stated above have been audited by the Audit Committee and found to be in compliance with the Company Act and other applicable laws and regulations. We have presented you the reports based on the provisions stipulated in Article 14-4 in the Securities and Exchange Act and Article 219 in the Company Act.

To

The Company's 2024 Shareholders' Meeting

Taisun Enterprise Co., Ltd.

Convener of the Audit Committee: Chen Wei-Yu

March 12, 2024

IV. Consolidated Financial Statement and Independent Auditor's Report for the Most Recent Year: Please refer to page 154 of this annual report.

V. Parent Company Only Financial Statement and Independent Auditor's Report for the Most Recent Year: Please refer to page 262 of this annual report.

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

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

I. Review and Analysis of Financial Status: Consolidated Statements

Unit: NTD thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	5,498,353	12,100,730	(6,602,377)	(54.56)
Long-term investments	1,857,444	1,827,016	30,428	1.67
Property, plant and equipment	1,954,801	1,988,740	(33,939)	(1.71)
Investment real estate	611,404	613,160	(1,756)	(0.29)
Intangible assets	154	612	(458)	(74.84)
Other assets	3,757,008	124,346	3,632,662	2921.41
Total assets	13,679,164	16,654,604	(2,975,440)	(17.87)
Current liabilities	1,362,023	3,856,578	(2,494,555)	(64.68)
Long-term liabilities	0	0	0	—
Other liabilities	233,073	230,167	2,906	1.26
Total liabilities	1,596,096	4,086,745	(2,491,649)	(60.97)
Share capital	4,999,990	4,999,990	0	—
Additional paid-in capital	1,014,497	1,006,742	7,755	0.77
Retained earnings	6,359,748	6,731,611	(371,863)	(5.52)
Other owners‘ equity	(91,700)	28,205	(119,905)	(425.12)
Treasury shares	(203,876)	(203,876)	0	—
Uncontrolled Equities	5,409	5,187	222	4.28
Total equity	12,084,068	12,567,859	(483,791)	(3.85)

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

1. Current assets: Mainly due to the increase in cash from sale of equity stock in 2022 and none in 2023.
2. Intangible assets: Mainly due to the decrease in computer software amortization.
3. Other assets: Mainly due to the increase in prepayments for investments .
4. Current liabilities: Mainly due to the repayment of short-term debts of NT$1.71 billion, and the decrease of other payables by NT$590 million and the decrease in income tax liabilities of the current period by NT$85 million
5. Other equity: The decrease in profits was mainly due to unrealized financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

Review and Analysis of Financial Status: Unconsolidated Statements

Unit: NTD thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	4,959,862	11,465,758	(6,505,896)	(56.74)
Long-term investments	2,390,922	2,386,423	4,499	0.19
Property, plant and equipment	1,705,771	1,731,135	(25,364)	(1.47)
Investment real estate	533,630	534,838	(1,208)	(0.23)
Intangible assets	107	519	(412)	(79.38)
Other assets	3,733,950	101,932	3,632,018	3563.18
Total assets	13,324,242	16,220,605	(2,896,363)	-17.86
Current liabilities	1,018,745	3,431,179	(2,412,434)	-70.31
Long-term liabilities	0	0	0	—
Other liabilities	226,838	226,754	84	0.04
Total liabilities	1,245,583	3,657,933	(2,412,350)	(65.95)
Share capital	4,999,990	4,999,990	0	0.00
Additional paid-in capital	1,014,497	1,006,742	7,755	0.77
Retained earnings	6,359,748	6,731,611	(371,863)	(5.52)
Other owners‘ equity	(91,700)	28,205	(119,905)	(425.12)
Treasury shares	(203,876)	(203,876)	0	0.00
Total equity	12,078,659	12,562,672	(484,013)	(3.85)

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

1. Current assets: Mainly due to the increase in cash from sale of equity stock in 2022 and none in 2023.
2. Intangible assets: Mainly due to a decrease in computer software amortization.
3. Other assets: Mainly due to the increase in prepayments for investments.
4. Current liabilities: Mainly due to the repayment of short-term debts of NT$1.68 billion, and the decrease of other payables by NT$570 million and the decrease in income tax liabilities of the current period by NT$90 million
5. Other equity: The decrease in profits was mainly due to unrealized financial assets.

(II) Impact: No significant impact.

(III) Future response plan: Not applicable.

II. Review and Analysis of Financial Performance: Consolidated Statements

Unit: NTD thousand

Item \ Year	2023	2022	Increase (decrease) amount	Percentage of change (%)
Operating revenue	11,228,425	11,069,440	158,985	1.44
Operating costs	9,672,891	9,623,851	49,040	0.51
Operating margin	1,555,534	1,445,589	109,945	7.61
Operating expenses	1,618,100	1,837,971	(219,871)	(11.96)
Net operating income (loss)	(62,566)	(392,382)	329,816	(84.05)
Non-operating revenue and expenditures	185,458	6,603,532	(6,418,074)	(97.19)
Profit before tax	122,892	6,211,150	(6,088,258)	(98.02)
Tax income (expense)	(203,527)	(292,578)	89,051	(30.44)
Net profit for the current period	(80,635)	5,918,572	(5,999,207)	(101.36)
Cumulative impact of changes in accounting principles	–	–	–	–
Net profit for the current period	(80,635)	5,918,572	(5,999,207)	(101.36)

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

1. Operating revenue and cost: Mainly due to the slight increase in cost, resulting in the growth in revenue.
2. Net operating profit: Mainly due to the increase in gross profit and decrease in operating expenses.
3. Non-operating income and expense: Mainly due to no investment gains on disposal in 2023 .
4. Net profit before tax: The decrease in net profit before tax was mainly due to no investment gains on disposal in 2023
5. Income tax expense: A 5% levy on the undistributed earnings in 2023.
6. Net income for the period: The decrease was mainly due to no investment gains on disposal in 2023

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

(III) Future response plan: Not applicable.

Review and Analysis of Financial Performance: Unconsolidated Statements

Unit: NTD thousand

Item \ Year	2023	2022	Increase (decrease) amount	Percentage of change (%)
Operating revenue	9,724,014	9,615,949	108,065	1.12
Operating costs	8,758,770	8,733,883	24,887	0.28
Operating margin	965,244	882,066	83,178	9.43
Operating expenses	1,117,944	1,382,356	(264,412)	(19.13)
Net operating income (loss)	(152,700)	(500,290)	347,590	(69.48)
Non-operating revenue and expenditures:	265,242	6,706,533	(6,441,291)	(96.05)
Net profit (loss) before tax	112,542	6,206,243	(6,093,701)	(98.19)
Tax income (expense)	(193,412)	(287,748)	94,336	(32.78)
Net profit (loss) for the current period	(80,870)	5,918,495	(5,999,365)	(101.37)
Cumulative impact of changes in accounting principles	—	—	—	—
Net profit (loss) for the current period	(80,870)	5,918,495	(5,999,365)	(101.37)

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

1. Operating revenue and cost: Mainly due to the slight increase in cost, resulting in the growth in revenue.
2. Net operating profit: Mainly due to the increase in gross profit and decrease in operating expenses.
3. Non-operating income and expense: Mainly due to no investment gains on disposal in 2023.
4. Net profit before tax: The decrease in net profit before tax was mainly due to no investment gains on disposal in 2023
5. Income tax expense: A 5% levy on the undistributed earnings in 2023.
6. Net income for the period: The decrease was mainly due to no investment gains on disposal in 2023

(II) Expected sales volume, and basis:

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

1. The oil business includes oil products and soybean powder and the sales volume is expected to be 230,000 tons.
2. The food business includes normal temperature and cold storage items, with an estimated sales volume of 19.7 million cases.
3. The aquatic business includes general and extruded materials, and the estimated sales volume is 16,000 tons.

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

(IV) Future response plan: Not applicable.

III. Cash flow review and analysis

(I) Analysis of changes in cash flow this year

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Annual cash outflow (3)	Cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for insufficient cash position	
				Investment plan	Financial management plan
8,504,412	(929,924)	(5,752,906)	1,821,582	—	—

(1) Operating activities: Net cash outflow of NT$930 million was mainly due to a decrease in accounts payable by NT$50 million, decrease of other payables by NT$590 million, and payment of income tax of NT$300 million.
(2) Investing activities: Net cash inflow of NT$3.76 billion was mainly due to prepayment of investment of NT$3.6 and acquisition of plant and equipment of NT$110 million.
(3) Financing activities: Net cash outflow of NT$2 billion was mainly due to the distribution of cash dividends of NT$280 million, repayment of long-term loans of NT$570 million, short-term notes payable, and short-term loans of NT$770 million in 2022.

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

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

Item \ Year	2023	2022	Percent increase (decrease) %
Cash flow ratio	(68.28)%	(11.17) %	511.28%
Cash flow adequacy ratio	(17.02) %	8.12 %	(309.61) %
Cash reinvestment ratio	(8.59) %	(6.29) %	36.57%

Change analysis
(1) Cash flow ratio: The net cash outflow from operating activities in 2023 was NT$930 million, and the current liabilities decreased due to the adjustment of financing instruments.
(2) Cash flow adequacy ratio: Due to the decrease of cash outflow from operating activities by NT$860 million in the most recent five years, and the increase of dividend payment by NT$2.3 billion.
(3) Cash reinvestment ratio: Due to net cash outflow from operating activities of NT$930 million in 2023.

(III) Cash liquidity analysis for the coming one year

Unit: NT$ thousand

Beginning cash balance (1)	Annual net cash flow from operating activities (2)	Annual cash outflow (3)	Cash surplus (deficit) amount (1)+(2)-(3)	Contingency plans for insufficient cash position	
				Investment plan	Financial management plan
1,821,582	324,156	590,593	1,555,145	—	—

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

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

(I) The uses of major capital expenditures and sources of funds: No significant capital expenditures

(II) Expected benefits: no.

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

Unit: NTD thousand

Invested company name	Main business items	Current profit and loss of invested company	Investment gains and losses recognized in the current period	Main reason for the profit or loss	Improvement plan	Future investment plan
Pin-Tai Distribution Enterprise Co., Ltd.	Wholesale and retail of oil and fat food products	28,322	22,407	Continue with operational fitness adjustment to reduce inefficient general expenses.	None	Continuing investment
Central Union Oil Corp., Ltd.	Bean product manufacturing, processing, and sales	160,645	53,548	Reach economies of scale	None	Continuing investment
Taiwan Niko Mart Co., Ltd.	Operating chain supermarkets	3,724	1,098	Recognize investment gains and losses	None	None
Taisun (Cayman) Investment Ltd.	Investment	70,463	70,463	Recognize investment benefits	None	Continuing investment
Pioneer Traffic Co.Ltd.	Logistics delivery	5,706	552	Continued operation	None	Continuing investment
Taisun Yuan Co., Ltd.	Investment management	6,254	6,254	Recognize investment benefits	None	Continuing investment

VI. Risk analysis and assessment

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

Item	2023 (NT$ thousand)
Interest expense	20,894
Exchange benefits (consolidated)	(4,588)

1. Interest rate risk: The Company’s interest rate hedging policy is mainly based on variable interest rates. Considering that the current overall market interest rate is low, it has not engaged in interest rate hedging transactions. As the Company’s overall bank loan balance is not high at present, interest rate risk is controlled within a reasonable range and there is no significant impact on the overall net profit after tax.
2. Exchange rate risk: The Company’s main raw materials are imported from abroad. Therefore, changes in exchange rates have a certain impact on the company. The company uses foreign exchange options and forward foreign exchange contracts to avoid exchange rate risks. The length of the contract period is determined by the maturity date and future cash flow of the company’s existing foreign currency debt. Therefore, the possible conversion gains and losses of the hedged debt will be offset by the gains and losses incurred when the hedging instrument contract expires.
3. The impact of inflation on the Company's profit and loss and future countermeasures:
   The global economy has been severely affected since the pandemic outbreak, especially sea and air transports around the world. Many global major central banks were forced to provide money with an aim to save the markets.

Such act at the same time caused long-term price increases for bulk materials such as soybeans and corn. This in turn creates a hidden worry as to future inflation. However, under the government's commitment to stable financial order and maintaining price stability, the domestic inflation rate remains within a certain level. In addition, the Company has continued to achieve low production costs in recent years. In the future, the Company will use product innovation and differentiation strategies to increase the added value of products, and additionally continue to work to reduce costs to reduce the negative impact of inflation on Company operations.

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

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

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

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

2. Loans to other parties, endorsements, guarantees
   (1) In response to actual operating needs, the Company has followed the relevant laws and regulations of the Securities and Futures Bureau to set up its Procedures For Endorsement & Guarantee to be handled in accordance with the law, At the same time, the company's audit unit is established based on the Regulations Governing Establishment of Internal Control Systems by Public Companies as issued by the Securities and Futures Bureau. Relevant systems are in place to conduct regular internal audit operations and submit audit reports to the audit committee.
   (2) As of February 29, 2024, the announced maximum limit of funds lent to others was NT$0 thousand. The announced balance of funds lent to others was NT$0 thousand and the actual expenditure amount was NT$0.
   (3) As of February 29, 2024, the maximum limit of the Company's endorsements and guarantees was NT$0 thousand. The announced endorsement and guarantee balance was NT$0 thousand, and the actual expenditure amount was NT$0. Future response measures will still be strictly controlled in accordance with relevant operating system regulations and actual operational needs.

3. Derivatives transactions:
   (1) Transaction policy:
   This is based on the "Procedures for the Acquisition or Disposal of Assets" stipulated by the company to engage in derivative commodity transactions based on operational needs.
   (2) Main reasons for profits/losses and response measures to be taken in the future:
   The Company engages in derivative commodity transactions in order to avoid the exchange rate fluctuation risk of foreign currency loans connected to the purchase of raw materials. Because they are all linked to import costs, the risk is controlled. (However, hedge accounting is not applied.) In the future, we will continue to undertake hedging at the right time in response to import demand.

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

1. Research and development plan for the next upcoming year
   (1) Research on Bing Jeon tea beverage series products.
   (2) Research on sugar-free tea series products.
   (3) Research of large drinking straw products.
   (4) Research of Cheers series.
   (5) Research of Sunkist's products.
   (6) Research of plant milk products.
   (7) Research on aluminum can line series products.
   (8) Research of additive-free products.
   (9) Research of beverage concentrate product series.
   (10) Research of No. 1 can business channel products.
   (11) Development and research of oil products for commercial use.
   (12) Development and research of differentiated consumer oil.

2. Current progress of the research and development plan:
   (1) The trial run of refrigerated IP Sunkist® apple juice beverage has been completed, and is expected to be mass-produced and launched in March.
   (2) The refrigerated IP Sunkist Guava juice is under development and testing, and is expected to be mass-produced and launched in April.
   (3) The trial run of the refrigerated IP Grapefruit & Jelly Honey Iced Tea has been completed, and is expected to be mass-produced and launched in May.
   (4) Cheers + Honey Lemon Sparkling Drink is under development and testing, and is expected to be mass-

produced and launched in April.

(5) The trial run of the room temperature tinned Mixed Congee has been completed, and is expected to be mass-produced and launched in May.
(6) The trial run of the room temperature tinned pearl barley has been completed, and is expected to be mass-produced and launched in May.
(7) The trial run of the room temperature tinned green bean has been completed, and is expected to be mass-produced and launched in May.
(8) The trial run of the room temperature tinned peanut soup has been completed, and is expected to be mass-produced and launched in May.
(9) The flavor of room temperature tinned red bean soup is under development and testing, and is expected to be mass-produced and launched in May.
(10) The flavor for refrigerated IP fairy grass milk tea is under development and testing, and is expected to be mass-produced and launched in May.
(11) The flavor for refrigerated IP thick fairy grass jelly is under development and testing, and is expected to be mass-produced and launched in May.

3. Estimated research and development expenses: It is expected that another NT$23,811 thousand is required for investment in 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(XII) Litigious and non-litigious matters:

1. The Company's "Taisun" trademark was infringed by Hsu Chih-Liang, i.e., Taishan Snack Bar and Yuan Shan Food Co., Ltd. The Intellectual Property and Commercial Court has just ruled in favor of the Company in the civil case of 2022 Min-Shang-Su-Zi No. 40. The main text is summarized as follows: I. Defendants Hsu Chih-Liang, i.e., Taishan Snack Bar, shall not use words identical or similar to "Taisun" as the specific part of its business name; it shall apply to the Kaohsiung City Government to change its business name so that it does not contain words identical or similar to "Taisun". II. Defendant Hsu Chih-Liang, i.e., Taishan Snack Bar and Yuan Shan Food Co., Ltd. shall not use signboards, business cards, advertisements, webpages or other marketing objects containing the wording "Taisun" or similar to it, or engage in other conducts for marketing purposes using the same or similar to the words "Taisun". The signboard, business card, webpage, advertisement and other marketing items containing the same or similar to the "Taishan" should be removed, destroyed and deleted. (omitted below)
2. The Company's major litigations are as follows:
   (1) 112 Min-Shang-Su-Zi No. 16. of the Intellectual Property and Commercial Court 2023 Commercial Appeal No. 16 regarding the confirmation of the invalidity of the resolution of the Board of Directors and other commercial matters: Long Bon International Co., Ltd. filed a petition to confirm the invalidity of the resolution adopted by the Board of Directors on December 2, 2022 to dispose of the shareholding rights of Taiwan FamilyMart Co., Ltd. The main contentious procedural matters of the court session on October 19, 2023: Is there any confirmation of interest? Who should be the Company's legal representative? No date has been set for the next court session.
   (2) Taiwan Taipei District Court, a civil case concerning Chong-Su-Zi No. 853, 2023: On May 5, 2023, the Company's Board of Directors resolved to acquire 40.39% of common shares of JKO FinTech Co., Ltd. for NTD 3.6 billion. This was later approved by the Taiwan Stock Exchange Corporation. However, the Financial Supervisory Commission also fined former Chairman of the Company Chan Ching-Chao of the Company NT$960,000 for the violation of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies. The request for JKO FinTech Co., Ltd. to return the investment fund via the previous letter was unsuccessful. As an precaution and to protect the interests of the Company and shareholders, the Company petitioned KO FinTech Co., Ltd. to return the investment fund of NTD 3.6 billion. The court session was held on January 2, 2024. The judge asked the two parties if they received each other's pleadings and then rescheduled. The next court session was on February 20, 2024.

(XIII) Other important risks, and mitigation measures being or to be taken: None

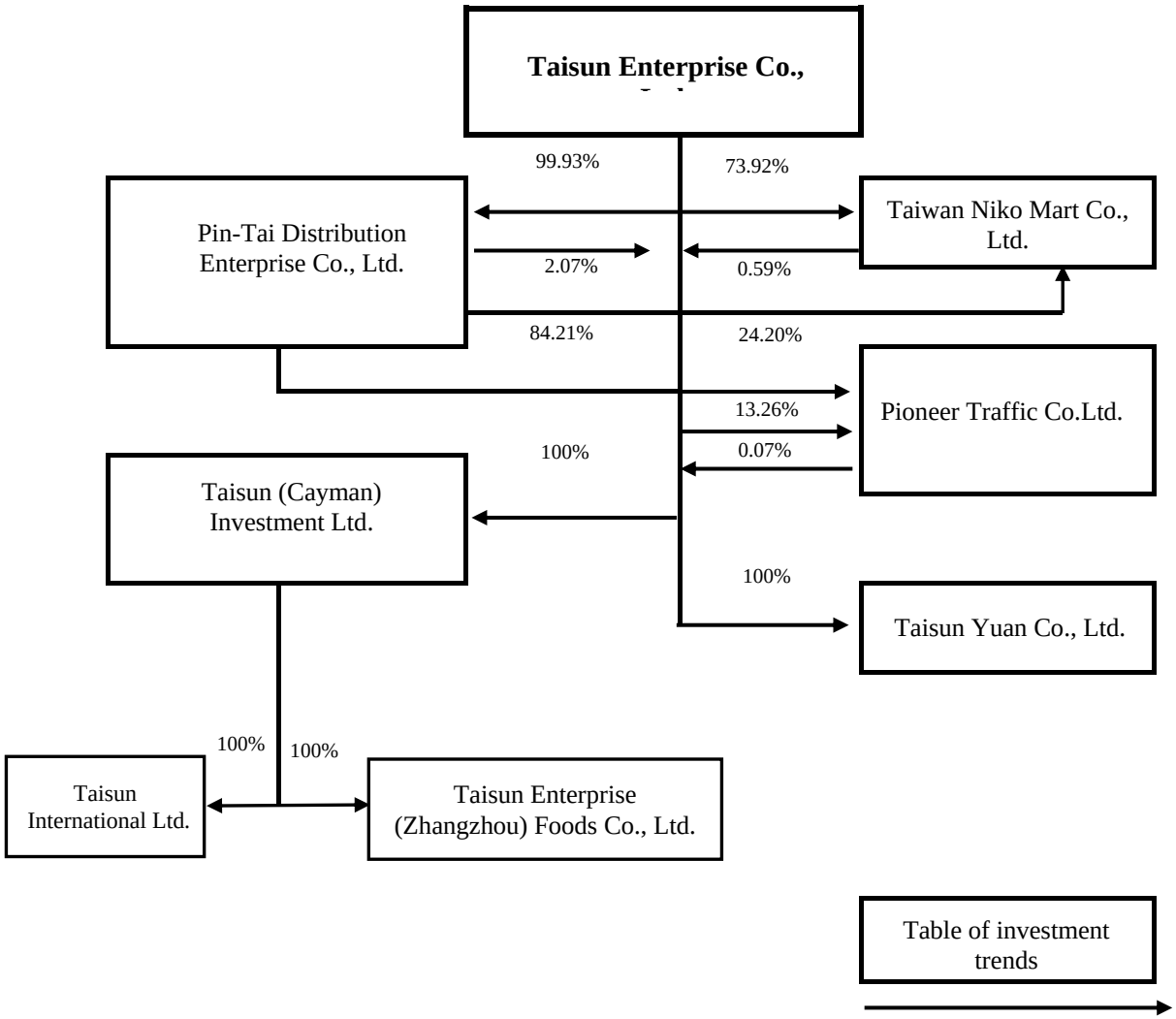
VII. Other important matters: None.

Eight. Special Items of Record

I. Information on Affiliated Companies

(I) Consolidated financial statements of affiliated companies

1. Organization chart of affiliated companies



2. Basic information on affiliated companies:

December 31, 2023; Unit: NTD, USD thousand

Enterprise Name	Date Established	Address	Paid-in capital	Main business or production items
Pin-Tai Distribution Enterprise Co., Ltd.	1987.2.11	No.6, Xinggong Rd., Tianzhong Township, Changhua County	212,711	Wholesale and retail of oil and fat food products
Taiwan Niko Mart Co., Ltd.	1988.6.17	10F-1., No.99, Sec. 2, Chang-An E. Rd., Taipei City 104, Taiwan	368,000	Operating chain supermarkets
Pioneer Traffic Co., Ltd.	1984.8.30	No. 28, Xingong 1st Rd., Shalun Village, Tianzhong Township, Changhua County	102,480	Logistics delivery
Taisun Yuan Co., Ltd.	2018.3.30	11F., No. 99, Section 2, Changan East Road, Taipei	5,000	Investment management
Taisun (Cayman) Investment Ltd.	1998.8.5	Huntlaw Building, P.O. Box 2804 George Town, Grand Cayman, Cayman Islands	USD 40,290	Investment
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	1997.6.28	No. 162, Wengjiao Road, Jiaomei Town, Zhangzhou Taiwanese Investment Zone, Fujian Province	USD 27,500	Production and sale of food, beverages, desserts, canned food and other products
Taisun International Ltd.	2023.1.16	Vistra(Cayman)Limited,P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman,KY 1-1205 Cayman Islands.	0	Sales of oil products

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

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

Note 3: If the affiliate is a foreign company, the company name and address can be given in English and the date of establishment expressed according to the Western calendar. Paid-in capital may be expressed in foreign currency. (However, the exchange rate as of the statement date should be added; USD: NTD = 1 : 30.7350；CNY：NTD = 1: 4.3338).

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

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

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

Units: NT$ thousand, shares, %

Company name	Title	Name or representative	Shares held	
			Number of shares	Shareholding proportion
Pin-Tai Distribution Enterprise Co., Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Lung)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Tsai Cheng-Ta)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Hsu Ming-Hsing)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Peng Pei-Chen)	21,255,839	99.93%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Yan Gu-Long)	21,255,839	99.93%
	Supervisor	Li Shu-Hui	0	0%
Taiwan Niko Mart Co., Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Tsai Cheng-Ta)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Lung)	27,203,632	73.92%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Peng Pei-Chen)	27,203,632	73.92%
	Supervisor	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Li Shu-Hui)	8,904,412	24.20%
Pioneer Traffic Co., Ltd.	Chairman	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Tsai Cheng-Ta)	8,630,240	84.21%
	Director	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Hsiao Kai-Tse)	8,630,240	84.21%
	Director	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Hsu Ming-Hsing)	8,630,240	84.21%
	Director	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Peng Pi-Chen)	8,630,240	84.21%
	Director	Pin-Tai Distribution Enterprise Co., Ltd. (Corporate representative: Yan Gu-Long)	8,630,240	84.21%
	Supervisor	Taisun Enterprise Co., Ltd. (Corporate representative: Li Shu-Hui)	1,358,480	13.26%
Taisun Yuan Co., Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Lung)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate representative: Tsai Cheng-Ta)	500,000	100%
	Director	Taisun Enterprise Co., Ltd. (Corporate	500,000	100%

		representative: Yan Gu-Long)		
	Supervisor	Taisun Enterprise Co., Ltd. (Corporate representative: Li Shu-Hui)	500,000	100%
Taisun (Cayman) Investment Ltd.	Chairman	Taisun Enterprise Co., Ltd. (Corporate representative: Liu Wei-Lung)	40,290,000	100%
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	Chairman	Taisun (Cayman) Investment Ltd. (Corporate representative: Tsai Cheng-Ta)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Lin Li-Wan)	-	100%
	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Yi Yan-Han)	-	100%
	Supervisor	Taisun (Cayman) Investment Ltd. (Corporate representative: Li Shu-Hui)	-	100%
Taisun International Ltd.	Director	Taisun (Cayman) Investment Ltd. (Corporate representative: Liu Wei-Lung)	-	100%

(II) Overview of operations of affiliated enterprises:

Unit: NT$ thousand

Enterprise Name	Capital	Total assets	Total liabilities	Book value	Operating revenue	Operating Income (loss)	Current profit and loss (after tax)	Earnings per share (NTD; after tax)
Pin-Tai Distribution Enterprise Co., Ltd.	212,711	1,222,602	703,314	519,288	2,775,221	21,989	28,322	1.33
Taiwan Niko Mart Co., Ltd.	368,000	120,373	2,858	117,515	—	(818)	3,724	0.10
Pioneer Traffic Co.Ltd.	102,480	172,134	55,737	116,397	388,184	833	5,706	0.56
Taisun Yuan Co., Ltd.	5,000	23,037	1,188	21,849	-	(2)	6,254	12.51
Taisun (Cayman) Investment Ltd.	1,238,313	363,229	-	363,229	-	(609)	70,463	-
Taisun Enterprise (Zhangzhou) Foods Co., Ltd.	845,213	408,554	112,788	295,766	644,903	60,415	71,536	-
Taisun International Ltd.	-	-	-	-	-	-	-	-

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

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

II. The status of private placements of securities in the most recent year and as of the printing date of the annual report: None.

III. Subsidiary holdings or disposals of the Company's stock in the most recent year and as of the printing date of the annual report: None.

IV. Other necessary supplementary explanations: None.

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

REPRESENTATION LETTER

For the year ended 31 December 2023 (from 1 January 2023 to 31 December 2023), pursuant to "Criteria Governing Preparation of Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and Affiliation Reports," the entities that are required to be included in the consolidated financial statements of affiliates, are the same as the entities required to be included in the consolidated financial statements under International Financial Reporting Standards 10. In addition, information required to be disclosed in the consolidated financial statements of affiliates is included in the aforementioned consolidated financial statements. Accordingly, it is not required to prepare a separate set of consolidated financial statements of affiliates.

Hereby declare,

Taisun Enterprise Co., Ltd.

Chairman: Wei-Lung Liu

March 12, 2024

Independent Auditors' Report

To Taisun Enterprise Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Taisun Enterprise Co., Ltd. (the "Company") and its subsidiaries as of December 31, 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the report(s) of the other auditors (please refer to the *Other Matter – Making Reference to the Audit(s) of Other Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

For the consolidated financial statements of the Company for the year ended December 31, 2023, we conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the report(s) of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Correctness of timing of revenue recognition

The operating revenue of the Company is mainly generated from the manufacturing and sales of oil, food, beverage, feed and other products. Due to different transaction conditions (such as consignment and outright sales, etc.), we believe that the correctness of the point at which the controlling right of goods has been transferred to the customer and performance obligations have been met is material to the parent company only financial statements and is therefore determined to be a key audit matter. Our audit procedures include, but are not limited to, evaluating and testing the effectiveness of the design and implementation of internal controls related to the sales cycle, selecting samples to perform transaction tests of details, reviewing their transaction records and checking material terms and conditions in orders or contracts to confirm when the performance obligations are met, performing cutoff tests for a period before and after the balance sheet date, selecting samples to review transaction conditions and checking relevant transaction vouchers to confirm that performance obligations have been indeed met. We also considered the appropriateness in disclosures of operating revenues in Note 6 to the parent company only financial statements.

Inventory valuation

As of December 31, 2023, the amount of inventories of the Company was NT$1,363,136 thousand, which is considered material to the parent company only financial statements. As the main raw materials for products such as oils and feeds are imported from abroad and are affected by international market fluctuations, and the market for food and beverages is highly competitive and subject to expiry, the Company management must assess possible losses for market price decline and obsolete and slow-moving inventories. As the assessment involves judgment from management, we therefore considered this a key audit matter. Our audit procedures include (but are not limited to) understanding the policies and management's evaluation procedures for the allowance for inventories valuation losses, testing the effectiveness of relevant internal control implementation;, selecting samples to test the ranges of inventory aging and recalculating the correctness of the amount accrued. In addition, we select inventory samples to check transaction vouchers to verify the correctness of the net realizable value used by management, analyze and evaluate the inventory provision policies to confirm the reasonableness of inventory valuation. We also considered the appropriateness of disclosures of inventory accounting policies in Notes 4, 5 and 6 to the parent company only financial statements.

Emphasis of Matter – Contingency

As explained in Note 9 to the financial statements, on January 11, 2023, the Company received a civil complaint from Everwin Investment Co., Ltd. and Long Bon International Co., Ltd. requesting to invalidate the board resolution of the Company in 2022 regarding the disposal of shares in Taiwan FamilyMart Co., Ltd. The case is currently under trial in the Intellectual Property and Commercial Court. We have not revised the review conclusion as a result of this matter.

Emphasis of Matter – Non-current Prepayments for Investments

As explained in Note 6 (9), the Company paid a transaction price of NT$3.6 billion (including the withholding and unpaid securities transaction tax in the amount of NT$4.2 million) for the equity investment in JKO FinTech Co., Ltd in May 2023. However, the Intellectual Property and Commercial Court ruled on this case and granted the shareholders of the Company preliminary injunction maintaining a temporary status quo, prohibiting the Company from executing this equity investment until the final ruling of the litigation. Subsequently, the Company filed a lawsuit against JKO FinTech Co., Ltd and Dorian Innovation Limited in the Taipei District Court of Taiwan in August 2023 for the return of investment funds. The case is currently under trial in the Taipei District Court of Taiwan. We have not revised the audit opinion as a result of this matter.

Other Matters

The investments accounted for using the equity method recorded in the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023 audited by other auditors. Therefore, our opinions expressed herein regarding the amounts recorded in the financial statements of certain investee companies are based solely on the reports of the other auditors. The investment accounted for using the equity method in these investee companies as of December 31, 2023 amounted to NT$314,127 thousand, representing 2% of the total consolidated assets. The relevant share of profit or loss from associates and joint ventures accounted for using the equity method amounted to NT$53,548 thousand, representing 44% of the consolidated net income before tax for the year ended December 31, 2023. The share of other comprehensive income from associates and joint ventures accounted for using the equity method amounted to NT$252 thousand, representing (0.2)% of the consolidated other comprehensive income for the year ended December 31, 2023.

The consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2022 were audited by other auditors, and an audit report with unqualified opinions including other matters was issued on March 31, 2023.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion including Emphasis of Matter and Other Matter Paragraphs on the parent company only financial statements of the Company as of and for the year ended December 31, 2023.

Lin, Su-Wen

Yang, Chih-Huei

Ernst & Young, Taiwan
March 12, 2024

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2023 and December 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31, 2023	As of December 31, 2022
Current assets			
Cash and cash equivalents	4, 6	$1,821,582	$8,504,412
Financial assets at fair value through profit or loss, curren	4, 6	104,049	95,366
Note receivables, net	4, 5, 6	137,362	164,053
Trade receivables, net	4, 5, 6	806,511	831,258
Trade receivables - related parties, net	4, 5, 6, 7	464,963	487,544
Other receivables		16,984	10,123
Inventories, net	4, 5, 6	1,363,136	1,570,255
Biological assets, current	4	24,634	21,260
Prepayments to supplier		628,316	367,369
Other prepayments		34,899	37,236
Other financial assets, current	6	91,500	5,506
Other current assets		4,417	6,348
Total current assets		5,498,353	12,100,730
Non-current assets			
Financial assets at fair value through other comprehensive income, non-curren	4, 6, 7, 8	1,413,304	1,522,815
Financial assets measured at amortized cost, non-curren	4	130,013	-
Investments accounted for using the equity metho	4, 6	314,127	304,201
Property, plant and equipment	4, 6	1,954,801	1,988,740
Right-of-use assets	4, 6	15,506	13,010
Investment properties, net	4, 6	611,404	613,160
Intangible assets	4	154	612
Biological assets, non-current	4	7,033	7,065
Deferred tax assets	4, 5, 6	40,278	33,490
Prepayments for business facilities		-	3,510
Prepayments for investments	4, 6, 9	3,600,000	-
Net defined benefit assets	6	52,239	51,783
Other financial assets, non-current	6	41,952	15,488
Total non-current assets		8,180,811	4,553,874
Total assets		$13,679,164	$16,654,604

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (CONTINUED)

As of December 31, 2023 and December 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31, 2023	As of December 31, 2022
Current liabilities			
Short-term borrowings	4, 6	$-	$769,490
Short-term notes payable	4, 6	-	370,000
Contract liabilities - current	4, 6	5,711	53,777
Notes payable	4	2,069	659
Accounts payable	4, 6, 7	561,750	615,996
Other payables		355,324	949,854
Current tax liabilities	4, 5, 6	254,570	339,284
Lease liabilities, current	4, 6	1,929	1,718
Long-term borrowings (current portion)	4, 6	-	570,000
Other current liabilities	6, 7	180,670	185,800
Total current liabilities		1,362,023	3,856,578
Non-current liabilities			
Deferred tax liabilities	4, 5, 6	222,926	223,071
Leases liabilities - non-current	4, 6	3,517	566
Deposits received		6,630	6,530
Total non-current liabilities		233,073	230,167
Total liabilities		1,595,096	4,086,745
Equity	4, 6		
Common stock		4,999,990	4,999,990
Additional paid-in capital	6	1,014,497	1,006,742
Retained earnings			
Legal reserve		869,876	276,984
Special reserve		240,776	240,776
Unappropriated earnings		5,249,096	6,213,851
Total retained earnings		6,359,748	6,731,611
Other equity	4, 6	(91,700)	28,205
Treasury stock	4, 6	(203,876)	(203,876)
Total equity attributable to owners of the parent		12,078,659	12,562,672
Non-controlling interests	6	5,409	5,187
Total equity		12,084,068	12,567,859
Total liabilities and equity		$13,679,164	$16,654,604

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three-month and the nine-month periods ended September 30, 2023 and 2022

(Expressed in Thousands of New Tauwan Dollars, Except for Earnings per Share)

		Year ended December 31	
	Notes	2023	2022
Operating revenues, net	4, 6, 7	$11,228,425	$11,069,440
Operating costs	6, 7	(9,678,785)	(9,623,679)
Gross profit		1,549,640	1,445,761
Unrealized profit from sales		5,491	(403)
Realized profit from sales		403	231
Gross profit, net		1,555,534	1,445,589
Operating expenses	4, 6		
Selling expenses		(1,180,874)	(1,121,980)
General and administrative expenses		(436,519)	(709,044)
Expected credit loss	6	(707)	(6,947)
Subtotal		(1,618,100)	(1,837,971)
Net operating income (loss)		(62,566)	(392,382)
Non-operating income and expenses	4, 6, 7		
Interest income		25,606	7,613
Other gains and losses		127,281	73,951
Finance costs		(20,977)	(27,012)
Share of profit or loss of associates and joint ventures accounted for using the equity method		53,548	337,908
Gains on disposals of investments		-	6,211,072
Subtotal		185,458	6,603,532
Profit before tax		122,892	6,211,150
Income tax expense	4, 5, 6	(203,527)	(292,578)
Net income (loss)		(80,635)	5,918,572
Other comprehensive income (loss)	6		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(6,317)	32,781
Unrealized gains (losses) on equity insreuments measured at fair value through other comprehensive income		(114,826)	91,321
Share of other comprehensive income of associates and joint ventures		252	(4,733)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(5,092)	10,683
Total other comprehensive income (loss), net of tax		(125,983)	130,052
Total comprehensive income		$(206,618)	$6,048,624
Net income (loss) attributable to:			
Owners of the parent		$(80,870)	$5,918,495
Non-controlling interests		235	77
		$(80,635)	$5,918,572
Total comprehensive income attributable to:			
Owners of the parent		$(206,840)	$6,048,582
Non-controlling interests		222	42
		$(206,618)	$6,048,624
Earnings (losses) per share:	6		
Basic earnings (losses) per share (NT$)		$(0.17)	$12.17
Diluted earnings (losses) per share (NT$)		$(0.17)	$11.96

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent										
	Capital		Retained earnings			Other components of equity					
	Common stock	Additional Paid-In Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized (Losses) Gains From Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total	Non-controlling Interests	Total Equity
Balance as of January 1, 2022	$4,999,990	$993,134	$209,930	$240,776	$851,981	$(34,553)	$(71,400)	$(203,876)	$6,985,982	$5,145	$6,991,127
Appropriation and distribution of 2021 retained earnings:											
Legal reserve	-	-	67,054	-	(67,054)	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(499,999)	-	-	-	(499,999)	-	(499,999)
Adjustments of additional paid-in capital for the Company's cash dividends received by subsidiaries	-	13,608	-	-	-	-	-	-	13,608	-	13,608
Changes in associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	-	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	5,918,495	-	-	-	5,918,495	77	5,918,572
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	33,285	10,683	86,119	-	130,087	(35)	130,052
Total comprehensive income	-	-	-	-	5,951,780	10,683	86,119	-	6,048,582	42	6,048,624
Proceeds from disposals of investments accounted for using equity method					(13,287)	14,499	13,287		14,499		14,499
Proceeds from disposals of equity instruments measured at fair value through other comprehensive income by the associates accounted for using the equity method					(9,570)		9,570				
Balance as of December 31, 2022	$4,999,990	$1,006,742	$276,984	$240,776	$6,213,851	$(9,371)	$37,576	$(203,876)	$12,562,672	$5,187	$12,567,859
Balance as of January 1, 2023	$4,999,990	$1,006,742	$276,984	$240,776	$6,213,851	$(9,371)	$37,576	$(203,876)	$12,562,672	$5,187	$12,567,859
Appropriation and distribution of 2022 retained earnings:											
Legal reserve	-	-	592,892	-	(592,892)	-	-	-	-	-	-
Cash dividend of common stock	-	-	-	-	(284,928)	-	-	-	(284,928)	-	(284,928)
Adjustments of additional paid-in capital for the Company's cash dividends received by subsidiaries	-	7,755	-	-	-	-	-	-	7,755	-	7,755
Net income (losses) for the year ended December 31, 2023	-	-	-	-	(80,870)	-	-	-	(80,870)	235	(80,635)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(6,065)	(5,092)	(114,813)	-	(125,970)	(13)	(125,983)
Total comprehensive income	-	-	-	-	(86,935)	(5,092)	(114,813)	-	(206,840)	222	(206,618)
Balance as of December 31, 2023	$4,999,990	$1,014,497	$869,876	$240,776	$5,249,096	$(14,463)	$(77,237)	$(203,876)	$12,078,659	$5,409	$12,084,068

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Year ended December 31	
	2023	2022
Cash flows from operating activities:		
Net income before tax	$122,892	$6,211,150
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expense adjustments:		
Depreciation	143,702	105,531
Amortization	458	1,257
Expected credit loss	707	6,947
Net losses (income) from financial asset and liabilities measured at fair value through profit or lo	(8,683)	7,542
Interest expense	20,977	27,012
Interest income	(25,606)	(7,613)
Dividend income	(51,129)	(8,906)
Share of profit of associates and joint ventures accounted for using the equity method	(53,548)	(337,908)
Gains on disposals of property, plant and equipment	(2,680)	(648)
Gains on disposals of investments accounted for using the equity method	-	(6,211,072)
Reversal of impairment loss recognized in profit or loss, non-financial assets	(117)	-
Unrealized gains (losses) from sales	(5,491)	403
Realized profit from sales	(403)	(231)
Others	-	(4)
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily measured at fair value through profit or loss	-	(591)
Decrease (increase) in notes receivable	26,691	(172)
Decrease (increase) in trade receivables	24,040	(69,162)
Decrease (increase) in trade receivables - related parties	22,581	(35,393)
(Increase) decrease in other receivables - related parties	(6,861)	344
Decrease (increase) in inventories, net	207,119	(858,229)
(Increase) decrease in biological assets	(6,220)	2,470
(Increase) decrease in prepayments to suppliers	(260,947)	253,163
Increase in other current assets	(81,726)	(151)
(Increase) decrease in net defined benefit assets	(456)	849
(Decrease) increase in contract liabilities	(48,066)	5,600
Increase (decrease) in notes payable	1,410	(60)
(Decrease) increase in accounts payable	(54,246)	38,294
(Decrease) increase in other payables	(594,530)	486,551
(Decrease) increase in other current liabilities	(9,330)	21,272
Decrease in net defined benefit liabilities	-	(5,119)
Cash used in operations	(639,462)	(366,874)
Interest received	25,606	7,613
Interest paid	(20,894)	(27,012)
Income tax paid	(295,174)	(44,628)
Net cash used in operating activities	(929,924)	(430,901)

	Year ended December 31	
	2023	2022
Cash flows form investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(5,068)	-
Acquisition of financial assets measured at amortized cost	(130,013)	-
Proceeds from disposals of investments accounted for using the equity method	-	7,986,979
Increase in prepayments for investments	(3,595,800)	-
Acquisition of property, plant and equipment	(108,252)	(143,649)
Proceeds from disposals of property, plant and equipment	8,473	6,242
(Increase) decrease in other financial assets	(26,464)	3,834
Increase in prepayments for business facilities	-	(2,247)
Dividends received	95,129	280,641
Net cash (used in) generated from investing activities	(3,761,995)	8,131,800
Cash flows from financing activities:		
Increase in short-term borrowings	3,263,968	10,490,216
Decrease in short-term borrowings	(4,033,458)	(10,237,038)
Increase in short-term notes payable	30,000	2,443,000
Decrease in short-term notes payable	(400,000)	(2,593,000)
Repayments of long-term borrowings	(570,000)	(480,000)
Increase (decrease) in deposits received	100	(90)
Cash payments for the principal portion of the lease liabilities	(3,197)	(2,727)
Cash dividends	(284,928)	(486,391)
Net cash used in financing activities	(1,997,515)	(866,030)
Effect of exchange rate changes on cash and cash equivalents	6,604	4,983
Net (decrease) increase in cash and cash equivalent	(6,682,830)	6,839,852
Cash and cash equivalents at the beginning of period	8,504,412	1,664,560
Cash and cash equivalents at the end of period	$1,821,582	$8,504,412

(The accompanying notes are an integral part of the consolidated financial statements)

TAISUN ENTERPRISE CO., LTD. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Specified Otherwise)

1. History and organization

Taisun Enterprise Co., Ltd. ("the Company") was incorporated on October 21, 1960, with the approval from the Ministry of Economic Affairs and the Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on November 11, 1989. The main activities of the Company include manufacturing and sale of cooking oil, food, beverages and fodder. The Company's registered office is located at No.6, Xinggong Rd., Tianzhong Township, Changhua County 520, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2023 and 2022 were authorized for issue by the Company's board of directors (hereinafter the "Board of Directors") on March 12, 2024.

3. Newly issued or revised standards and interpretations

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

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

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

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

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

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

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

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

C. Non-current Liabilities with Covenants – Amendments to IAS 1

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

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

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

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

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

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

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

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

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

B. IFRS 17 “Insurance Contracts”

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

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

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

C. Lack of Exchangeability – Amendments to IAS 21

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under (A), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by the FSC ("TIFRS").

(2) Basis of preparation

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

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
B. exposure, or rights, to variable returns from its involvement with the investee, and
C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee
B. rights arising from other contractual arrangements
C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)	
Investor	Name of subsidiaries	Nature of business	December 31, 2023	December 31, 2022
The Company	Pin-Tai Distribution Enterprise Co., Ltd. (Pin-Tai)	Wholesale and retail of cooking oils and foods	99.93%	99.93%
Merged company	Taiwan Nikomart Co., Ltd. (Taiwan Nikomart)	Operation of a chain of convenience stores	98.12%	98.12%
Merged company	Chuang Shin Traffic Co., Ltd. (Chuang Shin)	Logistics	97.42%	97.42%
The Company	Taisun Yuan Co., Ltd. (Taisun Yuan)	Investment management	100%	100%
The Company	Taisun (Cayman) Investment Ltd. (Taisun (Cayman))	Investment	100%	100%
Taisun (Cayman)	Taisun Enterprise (Zhangzhou) Foods Ltd. (Taisun Enterprise (Zhangzhou))	Production and sale of food, beverages, snacks, and products	100%	100%
Taisun (Cayman)	Taisun International Ltd.	Sale of oil products	100%	-%

(4)Foreign currency transactions

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

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

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

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(5)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an

average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals: (a) when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and (b) when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

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

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

(6)Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Group holds the asset primarily for the purpose of trading.
C. The Group expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle
B. The Group holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period

D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(7)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8)Financial instruments

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

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

A. Recognition and Measurement of financial assets

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

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

(a) the Group’s business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

Financial asset measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

The loss allowance is measures as follow:

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

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

D. Financial liabilities and equity

Classification of liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as of fair value through profit or loss.

A financial liability is classified as held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as of fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(9)Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

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

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(11) Inventories

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

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:
Raw materials – Purchase cost on a first in, first out basis
Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

(12) Biological assets

Biological assets are measured at fair value less selling costs upon initial recognition and at each reporting date. Selling costs refer to the costs directly attributable to the disposal of the asset, excluding financial costs and income taxes.

Gains or losses arising from the initial recognition of biological assets, as well as subsequent gains or losses resulting from changes in fair value less selling costs, are recognized in profit or loss in the period in which they occur.

(13) Investments accounted for using the equity method

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

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

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

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned additional paid- in capital recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate or joint venture and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets.*

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(14) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	1 to 56 years
Machinery and equipment	1 to 16 years
Transportation equipment	2 to 7 years
Other assets	1 to 16 years

Components of building that have different useful lives are main building structure, mechanical and electrical equipment and other equipment, which are depreciated over the useful lives of 26 to 56 years, 15 to 26 years and 3 to 13 years, respectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(15) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment for that model*. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	10 to 50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(16) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

The Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as of the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(17) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies information applied to the Group's intangible assets is as follows:

Types	Computer software
Useful lives	5 years
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(18) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets may be impaired*. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(19) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

A. Sales of goods

The Group manufactures edible oils, food, and beverages, which are then sold to distributors and channel partners. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. Control transfer of the product occurs when the product is delivered to the customer, the customer has the ability to determine the sales channel and price for the product, and

there are no remaining unfulfilled obligations that could affect the customer's acceptance of the product. Delivery occurs when the product is transported to a specified location, at which point the risks of obsolescence, deterioration, and loss have transferred to the customer. Additionally, the customer has accepted the product in accordance with the sales contract, and acceptance terms have either lapsed or there is objective evidence that all acceptance criteria have been met.

The Group recognizes revenue measured at the fair value of the consideration received or receivable and offers quantity discounts to customers based on achieving certain cumulative sales volumes. The Group recognizes revenue based on the net amount of estimated quantity discounts subtracted from the contract price. The quantity discount amount is estimated using past cumulative experience and is recognized only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the anticipated amounts to be paid to customers due to quantity discounts are recognized as provisions. The credit period of the Group’s sale of goods aligns with industry practices and no financing component is deemed present.

The Group sells oils and food products, and according to the contracts, is required to pay listing fees, shipping fees, and product display fees to customers based on the sales volume. As the payment of such consideration does not result in the transfer of distinct goods or services to the customer, it is treated as a reduction of the transaction price and revenue.

The Group recognizes trade receivables upon delivery of goods, as the Group’s right to consideration is unconditional except for the passage of time.

B. Customer Loyalty Programs

The Group's customer loyalty program involves granting customers loyalty award credits that entitle customers to discounted goods. The fair value of consideration received or receivable from original sales is allocated between the award credits and the other components of the sale transaction. The allocation to award credits is based on the estimated fair value of the right to purchase goods at a discounted price. This fair value estimate is based on the discounted amount and adjusted for the expected probability of redemption. The amounts allocated are initially deferred and recognized as revenue when the award credits are actually redeemed, and discounted goods are provided to fulfill the obligation. In this scenario, the revenue recognition amount is calculated based on the actual quantity redeemed relative to the total expected quantity to be

redeemed. Additionally, when it is no longer expected that the award credits will likely be redeemed, the deferred revenue is recognized as revenue.

C. Rendering of services

The Group provides corporate transportation services and recognizes related revenue during the financial reporting period when the promised services are provided. Revenue from fixed-price contracts is recognized based on the actual number of trips provided as of the reporting date.

D. Financing component

The Group expects the length of time between when the Group transfers the promised goods or services to the customer and when the customer pays for those goods or services to be no more than one year. Therefore, the Group does not adjust the transaction price for the time value of money.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements.

Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.
Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(23) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as of the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.
The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(24) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction.

B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss at the time of the transaction,

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1)Estimates and assumptions

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Loss allowance for trade receivables (current and non-current)

The loss allowance for trade receivables is primarily estimated based on assumptions related to default risk and expected credit loss rate. On each reporting date, the Group considers historical experience, current market conditions, and forward-looking estimates to determine the assumptions and inputs for the calculation of impairment. Please refer to Note 6 for details on the assumptions and inputs. The Group assesses the repayment status of the receivables, financial condition, operational performance, industry context, existence and value of collateral, etc., on each reporting date to determine the assumptions and judgment for the calculation of impairment.

B. Inventory valuation

Estimates of net realisable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

C. Post-employment benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. Please refer to Note 6 for more details.

D. Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

E. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	December 31, 2023	December 31, 2022
Cash on hand	$824	$1,995
Check deposits	1,674,454	8,261,214
Time deposits (Note)	108,394	176,259
Cash equivalents	37,910	64,944
Total	$1,821,582	$8,504,412

Note: Time deposits with contract period over three months were booked as other financial assets.

(2) Financial assets at fair value through profit or loss, current

	As of	
	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss - current:		
Listed companies stocks	$60,090	$58,258
Beneficiary certificate - open end funds	43,959	37,108
Total	$104,049	$95,366

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income, non-current

	As of	
	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income, non-current:		
Listed on domestic companies stocks	$1,397,723	$1,503,413
Unlisted on domestic companies stocks	12,764	1,155
Oversea unlisted companies stocks	2,817	18,247
Total	$1,413,304	$1,522,815

A. The Company lost significant influence due to the disposal of a portion of its investments accounted for using the equity method on December 5, 2022. As a result, the remaining investment that has not yet been disposed was reclassified as a financial asset measured at fair value through other comprehensive income. Please refer to Note 6(6) for more details.

B. Please refer to Note 12 for more details on credit risk.

C. Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

(4) Notes receivables and trade receivables (including related parties)

	As of	
	December 31, 2023	December 31, 2022
Notes receivables	$137,362	$164,053
Trade receivables	835,062	869,424
Debt collection	21,759	11,452
Less: loss allowance	(50,310)	(49,618)
Subtotal	943,873	995,311
Trade receivables from related parties	464,963	487,544
Less: loss allowance	-	-
Subtotal	464,963	487,544
Total	$1,408,836	$1,482,855

A. Notes receivables and trade receivables were not pledged.

B. Trade receivables are generally on 30 to 90 day terms. The total carrying amounts as of December 31, 2023 and 2022 were NT$1,459,146 thousand and NT$1,532,473 thousand, respectively. Please refer to Note 6(17) for more details on loss allowance of trade receivables. Please refer to Note 12 for more details on credit risk management.

(5)Inventories

	As of	
	December 31, 2023	December 31, 2022
Raw materials	$554,936	$664,957
Supplies	31,141	24,271
Work in progress	215,889	381,736
Finished goods	466,198	429,724
Merchandise	94,972	69,567
Total	$1,363,136	$1,570,255

The cost of inventories recognized in expenses amounted to NT$9,314,005 thousand and NT$9,231,602 thousand for the years ended December 31, 2023 and 2022, including the reversal of write-down of inventories of NT$(223) thousand and NT$498 thousand. The Group generated the gain from price recovery of inventories because some of the inventories previously provided with market loss or obsolescence were disposed for the year ended December 31, 2023.

No inventories were pledged.

(6)Investments accounted for using the equity method

A. The following table lists the investments accounted for using the equity method of the Group:

	As of			
	December 31, 2023		December 31, 2022	
Investees	Amount	Percentage of ownership	Amount	Percentage of ownership
Investments in associates:				
Central Union Oil Corp.	$314,127	33.33%	$304,201	33.33%

B. Investments in associates － Central Union Oil Corp.

The Group’s investment in Central Union Oil Corp. is not individually material. The aggregate carrying amount of the Group’s interests in Central Union Oil Corp. was NT$314,127 thousand and NT$304,201 thousand, as of December 31, 2023 and 2022, respectively. The aggregate financial information of the Group’s investment in Central Union Oil Corp. is as follows:

	For the years ended December 31,	
	2023	2022
Net income from continuing operations	$53,548	$57,233
Other comprehensive income (post-tax)	252	509
Total comprehensive income	$53,800	$57,742

The associates had no contingent liabilities or capital commitments as of December 31, 2023 and 2022.

C. Investments in associates － Taiwan FamilyMart Co., Ltd. (“FamilyMart”)

The Company originally held 22.46% of the shares in FamilyMart, and recognized and measured it as an "investment accounted for using the equity method." However, after the Company lost significant influence over FamilyMart after disposing of part of its ownership interest on December 5, 2022. The remaining shareholdings were reclassified as "financial assets at fair value through other comprehensive income, non-current". Therefore, on the day of the above-mentioned disposal, the Company's "investments accounted for using the equity method" included no balance of FamilyMart. The details of the aforementioned disposal transaction is as follows:

On December 2, 2022, the Board of Directors resolved to dispose of part of the shares in FamilyMart, The Company sold 43,300 thousand shares on December 5, 2022, with a net disposal proceeds in the amount of NT$7,986,979 thousand. After deducting the carrying amount of NT$2,648,969 thousand on the date of disposal and the accumulated exchange differences on translation of foreign financial statements in the amount of NT$12,521 thousand, the Company recognized gains on disposals of investments in the amount of NT$5,325,489 thousand. As a result, the Company's shareholding in FamilyMart decreased from 22.46% to 3.06%. As the Company lost significant influence over FamilyMart, it remeasured the remaining 3.06% shareholding at the time

of the disposal. The fair value as of December 5, 2022 in the amount of NT$1,305,756 thousand was then reclassified to financial measured at fair value through other comprehensive income, non-current. After the amount was carried forward and deducting the ending carrying amount of the remaining unsold shares in the amount of NT$418,387 thousand and the accumulated exchange differences on translation of foreign financial statements in the amount of NT$1,978 thousand, the transferred gains on disposals of investments in the amount of NT$885,391 thousand were recognized. The total gains on disposals of investments for the year ended December 31, 2022 amounted to NT$6,210,880 thousand. In addition, as a result of the disposal transaction, the Company also reclassified the accumulated unrealized losses on financial assets measured at fair value through other comprehensive income of FamilyMart that were previously recognized using the equity method in the amount of NT$13,287 thousand to undistributed earnings for the year ended December 31, 2022.

Because the Company recognized and measured the accounts from FamilyMart as "investments accounted for using the equity method" from January 1, 2022 to December 5, 2022, the change in its amounts during the year was reflected below.

	From January 1, 2022 to December 5, 2022
Share of the net assets of associates at the beginning of the period	$1,423,660
Dividends received from associates for the current period	275,321
Total comprehensive income attributable to the Company for the current period	(235,641)
Share of the net assets of associates at the end of the period	1,463,340
Add: Investment property	19,921
Add: Trademark	129,205
Add: Goodwill	1,454,890
Carrying amount of the Company’s interests in associates	$3,067,356
Carrying amount allocated to shares disposed of	$2,648,969
Carrying amount allocated to the financial assets transferred	418,387
Carrying amount of the Company’s interests in associates	$3,067,356

(7)Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Other	Construction in progress and equipment awaiting examination	Total
Cost:							
January 1, 2023	$1,177,509	$967,828	$1,268,052	$111,817	$177,358	$62,990	$3,765,554
Additions	-	1,927	5,409	10,646	38,162	52,108	108,252
Disposal	-	(726)	(68,573)	(14,839)	(1,327)	-	(85,465)
Transfer	-	18,937	63,408	3,046	2,542	(87,933)	-
Exchange differences	-	(2,649)	(4,279)	(193)	(279)	-	(7,400)
As of December 31, 2023	$1,177,509	$985,317	$1,264,017	$110,477	$216,456	$27,165	$3,780,941
January 1, 2022	$1,151,899	$961,734	$1,099,225	$115,970	$120,510	$234,028	$3,683,366
Additions	25,610	2,028	6,671	5,779	38,044	65,517	143,649
Disposal	-	-	(58,688)	(10,110)	(259)	-	(69,057)
Transfer	-	1,650	216,095	-	18,810	(236,555)	-
Exchange differences	-	2,416	4,749	178	253	-	7,596
As of December 31, 2022	$1,177,509	$967,828	$1,268,052	$111,817	$177,358	$62,990	$3,765,554
Depreciation and impairment:							
January 1, 2023	$-	$733,218	$866,180	$73,827	$103,589	$-	$1,776,814
Depreciation	-	29,226	74,980	8,975	22,242	-	135,423
Reclassification	-	-	(229)	-		-	(229)
Disposal	-	(726)	(68,573)	(9,168)	(1,205)	-	(79,672)
Exchange differences	-	(2,011)	(3,781)	(152)	(252)	-	(6,196)
As of December 31, 2023	$-	$759,707	$868,577	$73,482	$124,374	$-	$1,826,140
January 1, 2022	$-	$703,756	$868,460	$68,771	$95,081	$-	$1,736,068
Depreciation	-	27,760	50,830	10,888	8,518	-	97,996
Disposal	-	-	(57,215)	(5,995)	(253)	-	(63,463)
Exchange differences	-	1,702	4,105	163	243	-	6,213
As of December 31, 2022	$-	$733,218	$866,180	$73,827	$103,589	$-	$1,776,814
Net carrying amounts							
As of December 31, 2023	$1,177,509	$225,610	$395,440	$36,995	$92,082	$27,165	$1,954,801
As of December 31, 2022	$1,177,509	$234,610	$401,872	$37,990	$73,769	$62,990	$1,988,740

A. Due to legal restrictions prohibiting private juristic persons from assuming ownership of arable lands, the ownership of the 14 pieces of arable lands with a total value of NT$46,728 thousand that are located at Nos. 185 and 186 in Daxin Section of Beidou Township, Changhua County., was transferred to natural persons. The Group maintains the original land ownership certificate as a means of security.

B. Components of building that have different useful lives are main building structure, mechanical and electrical equipment and other equipment, which are depreciated over their respective useful lives.

C. No property, plant and equipment were pledged.

(8)Investment property

A. The Group's investment properties include owned investment properties. The Group has entered into commercial property leases on its owned investment properties with terms between 1 and 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Some of these contracts provide the Group options to extend the leases.

B. Information on investment properties held by the Group is as follows:

	Land	Buildings	Total
Cost:			
January 1, 2023	$566,062	$155,135	$721,197
Exchange differences	-	(25)	(25)
As of December 31, 2023	$566,062	$155,110	$721,172
Depreciation and impairment:			
January 1, 2023	$-	$108,037	$108,037
Depreciations	-	1,731	1,731
As of December 31, 2023	$-	$109,768	$109,768
Cost:			
January 1, 2022	$566,062	$155,112	$721,174
Exchange differences	-	23	23
As of December 31, 2022	$566,062	$155,135	$721,197
Depreciation and impairment:			
January 1, 2022	$-	$106,274	$106,274
Depreciations	-	1,757	1,757
Exchange differences		6	6
As of December 31, 2022	$-	$108,037	$108,037
Net carrying amounts			
As of December 31, 2023	$566,062	$45,342	$611,404
As of December 31, 2022	$566,062	$47,098	$613,160

No investment property was pledged.

The Group's investment properties include several commercial properties leased out to third parties. The renewal periods of each lease agreement are negotiated with the tenants, and no contingent rental income has been collected.

Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT$1,448,868 thousand and NT$1,054,079 thousand, as of December 31, 2023 and 2022, respectively. The fair values as of the respective financial reporting date were determined using the comparative approach, referencing information from the website of Department of Land Administration, Ministry of Interior, and estate agency's website.

(9) Prepayments for investments

	As of	
	December 31, 2023	December 31, 2022
Prepayment for investments	$3,600,000	$-

The 22nd Board of Directors held the 12th meeting on May 5, 2023 which had been rescheduled from April 20, 2023 to discuss the equity investment in JKO FinTech Co., Ltd. The proposal included a subscription to approximately NT$2.2 billion of common stocks of JKO FinTech Co., Ltd. through a capital injection at around NT$24.63 per share (referred to as the "NT$2.2 Billion Cash Injection"). Additionally, the proposal involved acquiring shares of JKO FinTech Co., Ltd., amounting to approximately NT$1.4 billion, held by Dorian Innovation Limited (Dorian) at around NT$24.63 per share. The total shares involved in the transaction amounted to 146,166 thousand shares, with a total transaction amount of NT$3.6 billion. The proposal was approved by four directors, while three directors declined to participate in the meeting held on May 5, 2023. Following this, on May 6, 2023, the Company entered into an agreement with JKO FinTech Co., Ltd. and Dorian Innovation Limited (Dorian), and on May 8, 2023, the Company paid the full transaction amount of NT$3.6 billion to JKO FinTech Co., Ltd. (including the amount due to Dorian as per the agreement).

On May 15, 2023, the Company received a preliminary injunction filed by Everwin Investment Co., Ltd. to the Intellectual Property and Commercial Court, which prohibited the Company from executing the aforementioned equity investment and investment in a

bottled water plant. Subsequently, on May 22, 2023, the Company received a ruling from the Intellectual Property and Commercial Court granting the preliminary injunction filed by Everwin Investment Co., Ltd., prohibiting the Company from executing the equity investment in JKO FinTech Co., Ltd. and the investment in the bottled water plant that were approved by the Board of Directors on May 5, 2023, until the final ruling of the litigation. Everwin Investment Co., Ltd., in order to sustain the efficacy of the previously established interim disposition, has initiated legal proceedings within the statutory period to challenge the validity of the board resolution pertaining to the equity investment in JKO FinTech Co., Ltd. The case is currently under examination in the Commercial Court."

Due to the legal action brought up by shareholders contesting the validity of the NT$3.6 billion equity investment case in JKO Fintech Co., Ltd., and they claimed the person representing the Company in signing the agreement acted without gaining the legal and valid authority to do so. Therefore, no parties shall perform the invalid agreement and they shall be obligated to restore the original state. In July 2023, the Company sent a letter to JKO Fintech Co., Ltd. requiring the return of the transaction price in the amount of NT$3.6 billion, but did not receive a response. On August 30, 2023, the Company filed an action with the Taiwan Taipei District Court against JKO Fintech Co., Ltd. to request payment return. The case is pending at the Taiwan Taipei District Court.

In addition to the foregoing, there are concerns regarding the legality and efficacy of the 12th meeting of the 22nd Board of Directors of the Company, aside from doubts about its enforceability. Pursuant to the agreement between the parties, each counterparty is obligated to deliver shares to the Company as a presentation of the acquisition of equity. However, as of the reporting date, neither JKO FinTech Co., Ltd. nor Dorian Company has fulfilled their obligation to deliver shares to the Company in accordance with said agreement. Furthermore, On October 27, 2023, the Industrial Development Administration of Ministry of Economic Affairs rejected the application of new share issue for cash injection and articles of incorporation amendment to change the registered capital by JKO FinTech Co., Ltd. (NT$2.2 billion cash injection). Therefore, the Company booked NT$3.6 billion that was remitted outward previously as prepayment for investment.

The Company intends to recover the future economic benefits related to this prepayment for investment of NT$3.5958 billion (the balance of NT$3.6 billion after deducting the unpaid securities transaction tax in the amount of NT$4.2 million withheld by the Company) from JKO Fintech Co., Ltd. and Dorian Innovation Limited through filing a legal action. However, the obligatory rights need to be determined by a court judgment. Therefore, upon obtaining a court judgment confirming the receivables in the future, the Company will reclassify the relevant accounting items (such as prepaid investment) as other receivables. Additionally, according to IFRS 9 “Financial instruments,” the credit risk assessment and measurement of the receivables that have not been collected as of the balance sheet date will be performed based on the lifetime expected credit risk. On the contrary, if the aforementioned action contesting the validity of the Board's resolution of investing in JKO Fintech Co., Ltd. is unsuccessful, or if the Company's claim against JKO Fintech Co., Ltd. for the return of the investment funds is unsuccessful and when the Company acquires the shares of the underlying transaction, the payments made by the Company will no longer be deemed prepayments. Instead, they will be recognized and measured as appropriate at the time when the investors acquire the equity of the investee according to the relevant Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (such as determining whether it constitutes a business combination, associates, or be treated in accordance with IFRS 9 “Financial Instruments.”) However, the selection and adoption of the abovementioned standards will depend on the Company's then shareholding ratio in JKO Fintech Co., Ltd. and the accompanying economic circumstances and legal conditions.

(10) Short-term borrowings

	As of	
	December 31, 2023	December 31, 2022
Letter of credit borrowings	$-	$409,490
Unsecured bank loans	-	360,000
Total	$-	$769,490
Interest rates	-%	1.68%~6.13%

The Group’s unused short-term lines of credits amounted to NT$1,040,000 thousand and NT$2,748,478 thousand, as of December 31, 2023 and 2022, respectively.

(11) Short-term notes payable

	As of	
	December 31, 2023	December 31, 2022
Commercial paper payable	$-	$370,000
Interest rates (%)	-%	1.95%~2.19%

No assets were not pledged as security for short-term notes payable.

(12) Other current liabilities

	As of	
	December 31, 2023	December 31, 2022
Refund liabilities	$157,063	$133,079
Others	23,607	52,721
	$180,670	$185,800

Refund liabilities were mainly incurred from the estimated amount of consideration that may be expected to be refunded to some customers due to discounts, concessions, refunds, incentives or other similar factors.

(13) Long-term borrowings

A. Details of long-term loans as of December 31, 2023: None.

B. Details of long-term loans as of December 31, 2022 are as follows:

Type of loans	As of December 31, 2022	Interest Rate (%)
Secured bank loans	$570,000	1.51%~2.25%
Less: current portion	(570,000)	
Total	$-	

The Company’s unused short-term lines of credits amounted to NT$0 thousand and NT$1,030,000 thousand as of December 31, 2023 and 2022, respectively.

(14)Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries would make monthly contributions to the employees' individual pension accounts at the amounts not less than 6% of the employees' monthly wages. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries in China are required to pay pension insurance premiums according to the local government's laws and regulations, paying a certain percentage of the total salary of the employees to the relevant government departments. The pension accounts are preserved in separate employee accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$25,233 thousand and NT$22,583 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries for the six months before retirement. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$5,610 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 10.18 to 10.65 years and 9.18 to 11.36 years, respectively.

Pension costs December 31, 2023 and 2022 were recognized in profit or loss are as follows:

	For the years ended December 31,	
	2023	2022
Current period service cost	$715	$1,278
Net interest on net defined benefit liabilities (assets)	(839)	(71)
Total	$(124)	$1,207

Reconciliations in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Present value of defined benefit obligation	$68,946	$183,898	$232,437
Plan assets at fair value	(121,185)	(235,681)	(247,168)
Other non-current liabilities, net defined benefit liabilities (assets)	$(52,239)	$(51,783)	$(14,731)

Reconciliation in the defined benefit obligation and fair value of plan assets is as follows:

	Present value of defined benefits obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2022	$232,437	$(247,168)	$(14,7131)
Current period service cost	1,278	-	1,278
Interest expenses (income)	1,208	(1,279)	(71)
Subtotal	234,923	(248,447)	(13,524)
Remeasurements of net defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	(15,896)	-	(15,896)
Experience adjustments	2,806	-	2,806
Return on plan assets	-	(19,691)	(19,691)
Subtotal	(13,090)	(19,691)	(32,781)
Benefits paid	(37,935)	36,738	(1,197)
Contributions by employer	-	(7,209)	(7,209)
Exchange differences	-	2,928	2,928
As of December 31, 2022	$183,898	(235,681)	(51,783)
Current period service cost	715	-	715
Interest expenses (income)	2,821	(3,660)	(839)
Subtotal	187,434	(239,341)	(51,907)
Remeasurements of defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	7,112	-	7,112
Return on plan assets	-	(399)	(399)
Subtotal	7,112	(399)	6,713
Benefits paid	(125,600)	124,311	(1,289)
Contributions by employer	-	(5,756)	(5,756)
As of December 31, 2023	$68,946	$(121,185)	(52,239)

The following significant actuarial assumptions are used in determining the Group's defined benefit plan:

	As of	
	December 31, 2023	December 31, 2022
Discount rate	1.625%	1.50%~1.75%
Expected rate of salary increases	1.000%	1.000%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	2023		2022	
	Increase in defined benefits obligation	Decrease in defined benefits obligation	Increase in defined benefits obligation	Decrease in defined benefits obligation
Discount rate increase by 0.25%	$-	$1,319	$-	$2,018
Discount rate decrease by 0.25%	1,360	-	3,691	-
Future salary increase by 0.25%	1,332	-	3,615	-
Future salary decrease by 0.25%	-	1,299	-	1,980

The sensitivity analysis above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(15) Equity

A. Common stock

The Company's authorize capital as of December 31, 2023 and 2022, were NT$10,000,000 thousand, each at a par value of NT$10. Each share has one voting right and a right to receive dividends. The Company has issued 499,999 thousand common stocks amounting to NT$4,999,990 thousand as of December 31, 2023 and 2022, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

B. Addition Paid-in Capital

	As of	
	December 31, 2023	December 31, 2022
Common stock premium	$915,977	$915,977
Treasury share transactions	79,251	71,496
Common stock premium - Employee stock options	4,132	4,132
Expired employee stock options	1,561	1,561
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of by an associate accounted for using the equity method	17	17
Others	13,559	13,559
Total	$1,014,497	$1,006,742

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2023 and 2022, the Company's shares held by the subsidiaries were NT$203,876 thousand, and the number of the Company's shares held by the subsidiaries was 13,679 thousand. These shares held by the subsidiaries were purchased in the open market for the purpose of investment before the Company Act was amended at the end of 2001. The shares held by the subsidiaries are treated as treasury stocks. The status on the Company's shares held by the subsidiaries are as follows:

	Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd.	Chuang Shin Traffic Co., Ltd.	Subtotal
Number of shares:				
January 1, 2023	10,351	2,960	368	13,679
Additions	-	-	-	-
Disposal	-	-	-	-
As of December 31, 2023	10,351	2,960	368	13,679
January 1, 2022	10,351	2,960	368	13,679
Additions	-	-	-	-
Disposal	-	-	-	-
As of December 31, 2022	10,351	2,960	368	13,679
Net carrying amount:				
January 1, 2023	$154,637	$44,880	$4,359	$203,876
Additions	-	-	-	-
Disposal	-	-	-	-
As of December 31, 2023	$154,637	$44,880	$4,359	$203,876
January 1, 2022	$154,637	$44,880	$4,359	$203,876
Additions	-	-	-	-
Disposal	-	-	-	-
As of December 31, 2022	$154,637	$44,880	$4,359	$203,876

D. Retained earnings and dividend policies

(a) The Company's current industry development is mature, with stable profitability. However, considering significant capacity expansion and vertical development plans in the coming years, the appropriation of earnings shall be conducted at the end of each quarter. In the case of dividend distribution in cash, the Board of Directors shall decide, in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act, and report to the shareholders' meeting, without submission to the shareholders' meeting for approval. At each quarter end, if there are profits, they shall estimate and retain the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. It may be allocated or

reversed based on the company's operational needs and legal provisions, and after any special reserve allocation or reversal. If there are profits, they shall be added to the accumulated undistributed earnings at the beginning period, and the distribution shall be proposed and resolved by the Board of Directors. The proportion of cash dividends distributed shall not be less than 30% of the total dividend distribution amount.

In the case where the dividend per share is below NT$0.1, the Board of Directors may retain the profit without distributing dividend.

(b) According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

(c) According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

(d) On March 31, 2021, the FSC issued Order No. Jin-Guan-Zheng-Fa-Zi-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the Company set aside special reserve in the amount of NT$240,776 thousand. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

(e) Details of the 2023 and 2022 earnings distribution and dividends per share as proposed and resolved by the board of directors' meeting and shareholders' meeting on March 12, 2024 and June 30, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Cash dividend of Common stock-cash dividend	$-	$284,928	$-	$0.57
Legal reserve	-	592,892		

Please refer to Note 6(19) for details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	For the years ended December 31,	
	2023	2022
Beginning balance	$5,187	$5,145
Profit attributable to non-controlling interests	235	77
Other comprehensive income, attributable to non-controlling interests	(13)	(35)
Ending Balance	$5,409	$5,187

(16) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Consumer food products	$7,077,068	$6,671,625
Commodities and animal feed	3,750,242	3,969,706
Revenue arising from rendering of services	388,167	415,876
Other revenue		
Rental revenue from investment properties	12,948	12,233
Total	$11,228,425	$11,069,440

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2023

	Consumption Division	Commodity Division	Foreign Division	Other	Total
Sales of goods	$6,432,165	$-	$644,903	$-	$7,077,068
Commodities and animal feed	-	3,750,242	-	-	3,750,242
Rendering of services	-	-	-	388,167	388,167
Rental revenue	-	-	-	12,948	12,948
Total	$6,432,165	$3,750,242	$644,903	$401,115	$11,228,425
Timing of revenue recognition:					
At a point in time	$6,432,165	$3,750,242	$644,903	$388,167	$11,215,477
Over time	-	-	-	12,948	12,948
Total	$6,432,165	$3,750,242	$644,903	$401,115	$11,228,425

For the year ended December 31, 2022

	Consumption Division	Commodity Division	Foreign Division	Other	Total
Sales of goods	$6,040,100	$-	$631,525	$-	$6,671,625
Commodities and animal feed	-	3,969,706	-	-	3,969,706
Rendering of services	-	-	-	415,876	415,876
Rental revenue	-	-	-	12,233	12,233
Total	$6,040,100	$3,969,706	$631,525	$428,109	$11,069,440
Timing of revenue recognition:					
At a point in time	$6,040,100	$3,969,706	$631,525	$415,876	$11,057,207
Over time	-	-	-	12,233	12,233
Total	$6,040,100	$3,969,706	$631,525	$428,109	$11,069,440

B. Contract balances

Contract liabilities - current

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$5,711	$53,777	$47,351

Changes in contract liabilities are mainly due to the differences between the time when the merged company transfers goods or services to customers to satisfy performance obligations and the time when customers make payments. There are no other significant changes.

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31,	
	2023	2022
The opening balance transferred to revenue	$(53,777)	$(44,770)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	5,711	51,196

(17) Expected credit losses

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses		
Notes receivables and trade receivables (including related parties)	$707	$6,947

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its notes receivables and trade receivables (including related parties) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as of December 31, 2023 and 2022 is as follows:

The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2023

Group 1: Consumer food products and commodities	Not yet due	Overdue					
	(Note)	0-90 days	91-180 days	181-270 days	270-360 days	> =365 days	Total
Gross carrying amount	$1,282,926	$60,012	$13,972	$11,198	$-	$22,667	$1,390,775
Loss rate	0-2.16%	0-2.77%	0-8.33%	5-11.42%	10-25%	100%	
Lifetime expected credit losses	(23,377)	(1,127)	(789)	(873)	-	(22,667)	(48,833)
Subtotal	$1,259,549	$58,885	$13,183	$10,325	$-	$-	$1,341,942

Group 2: Animal feed	Not yet due	Overdue					
	(Note)	0-90 days	91-180 days	181-270days	270-360days	> =365 days	Total
Gross carrying amount	$64,167	$3,546	$546	$112	$-	$-	$68,371
Loss rate	1.57-1.90%	4.02-4.85%	11.60-13.99%	11.73-14.13%	26.45%	100%	
Lifetime expected credit losses	(1,213)	(172)	(76)	(16)	-	-	(1,477)
Subtotal	$62,954	$3,374	$470	$96	$	$-	$66,894

As of December 31, 2022

Group 1: Consumer food products and commodities	Not yet due	Overdue					
	(Note)	0-90 days	91-180 days	181-270days	270-360days	> =365 days	Total
Gross carrying amount	$1,388,642	$43,537	$-	$4	$-	$1,541	$1,433,724
Loss rate	0~2.16%	0~0.01%	0~8.33%	5~11.42%	10~25%	100%	
Lifetime expected credit losses	(29,991)	(4)	-	-	-	(1,541)	(31,536)
Subtotal	$1,358,651	$43,533	$-	$4	$-	$-	$1,402,188

Group 2: Animal feed	Not yet due	Overdue					
	(Note)	0-90 days	91-180 days	181-270days	270-360days	> =365 days	Total
Gross carrying amount	$73,464	$6,294	$9,080	$-	$-	$9,911	$98,749
Loss rate	0.12%	2.57%	10.15~87.25 %	10.28%	25%	100%	
Lifetime expected credit losses	(88)	(161)	(7,922)	-	-	(9,911)	(18,082)
Subtotal	$73,376	$6,133	$1,158	$-	$-	$-	$80,667

The movement in the provision for impairment of notes receivables and trade receivables during the years ended December 31, 2023 and 2022 is as follows:

	Notes receivable and trade receivables
January 1, 2023	$49,618
Addition for the current period	707
Write-off due to uncollectability	-
Exchange differences	(15)
As of December 31, 2023	$50,310
January 1, 2022	$42,658
Addition for the current period	6,947
Write-off due to uncollectability	-
Exchange differences	13
As of December 31, 2022	$49,618

(18) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings. The lease terms range from 1 to 3 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

(i) Right-of-use assets

The carrying amount of right-of-use assets

	As of	
	December 31, 2023	December 31, 2022
Land	$10,093	$10,736
Buildings	5,413	2,274
Total	$15,506	$13,010

For the years ended December 31, 2023 and 2022, the Group's additions to right-of-use assets amounted to NT$6,275 thousand and NT$2,068 thousand,

respectively.

The merged companies lease land and buildings, and recognized them as right-of-use assets. The details of changes in the costs and depreciation of these right-of-use assets are as follows:

	Land	Buildings	Total
Costs of right-of-use assets are as follows:			
January 1, 2023	$22,068	$11,387	$33,455
Additions	-	6,275	6,275
Less	-	(7,485)	(7,485)
Exchange differences	(419)	-	(419)
As of December 31, 2023	$21,649	$10,177	$31,826
January 1, 2022	$21,683	$10,470	$32,153
Additions	-	2,068	2,068
Less	-	(1,151)	(1,151)
Exchange differences	385	-	385
As of December 31, 2022	$22,068	$11,387	$33,455
Depreciation charged for right-of-use assets is as follows:			
January 1, 2023	$11,332	$9,113	$20,445
Depreciations	445	3,214	3,659
Less	-	(7,563)	(7,563)
Exchange differences	(221)	-	(221)
As of December 31, 2023	$11,556	$4,764	$16,320
January 1, 2022	$10,695	$6,962	$17,657
Depreciations	448	2,774	3,222
Less	-	(623)	(623)
Exchange differences	189	-	189
As of December 31, 2022	$11,332	$9,113	$20,445
Net carrying amount:			
As of December 31, 2023	$10,093	$5,413	$15,506
As of December 31, 2022	$10,736	$2,274	$13,010

As of December 31, 2023 and 2022, the merged companies did not provide the aforementioned land use rights as pledges or guarantees.

(ii) Leases liabilities

	As of	
	December 31, 2023	December 31, 2022
Leases liabilities	$5,446	$2,284
Current	$1,929	$1,718
Non-current	3,517	566
Total	$5,446	$2,284

Please refer to Note 6(20)C. for the interest on lease liabilities recognized for the years ended December 31, 2023 and 2022 and refer to Note 12 Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2023 and 2022.

(b)Amounts recognized in the statement of comprehensive income

Depreciation charged for right-of-use assets

	For the years ended December 31,	
	2023	2022
Land	$445	$448
Buildings	3,214	2,774
Total	$3,659	$3,222

(c)Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	$286	$536
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	$31	$64

(d)Cash outflow relating to leasing activities

For the years ended December 31, 2023 and 2022, the Company’s total cash outflow for leases amounted to NT$3,597 thousand and NT$3,357 thousand, respectively.

B. Leases

Leases of consolidate dentities' investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets. Please refer to Note 6 (8) Investment Property for more information.

The maturity analysis of lease payments is presented in the table below by the total undiscounted lease payments to be received after the reporting date:

	As of	
	December 31, 2023	December 31, 2022
Not later than one year	$14,041	$11,073
Later than one year but not later than two years	9,188	5,736
Later than two year but not later than three years	6,325	5,192
Later than three year but not later than four years	659	4,236
Later than four year but not later than five years	220	23
Later than five years	-	55
Total undiscounted lease payments	$30,433	$26,315

The Group's rental income arising from investment property amounted to NT$14,896 thousand and NT$15,570 thousand for the years ended December 31, 2023 and 2022 respectively.

(19)Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2023 and 2022:

By nature / By function	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$252,480	$384,171	$636,651	$309,353	$604,507	$913,860
Labor and health insurance	31,562	38,983	70,545	26,153	35,060	61,213
Pension	11,207	13,902	25,109	10,406	13,384	23,790
Remuneration to directors	-	6,942	6,942	-	207,420	207,420
Other employee benefits expense (Note)	17,044	19,111	36,155	16,734	18,692	35,426
Depreciation	119,539	24,163	143,702	94,179	11,352	105,531
Amortization	46	412	458	46	1,211	1,257

Note: Other employee benefits expenses include employee benefit, and meal allowances.

According to the Articles of Incorporation, no less than 2% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the year ended December 31, 2023, the Company estimated the employees' compensation and remuneration to directors for the year ended December 31, 2023 to be NT$2,305 thousand and NT$0 thousand, respectively, and recognized as salaries.

A resolution was passed at a Board of Directors meeting held on May 5, 2023 to distribute NT$267,000 thousand and NT$200,000 thousand as employees' compensation and remuneration to directors of 2022, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2022.

No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

(20) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Interest on bank deposits	$24,994	$7,111
Other interest income	612	502
Total	$25,606	$7,613

B. Other gains and losses

	For the years ended December 31,	
	2023	2022
Rental income	$3,530	$3,849
Dividend income	51,129	8,906
Foreign exchange (losses) gains, net	(4,588)	23,411
Gains on disposal of property, plant and equipment	2,680	648
Gains (losses) on financial assets (liabilities) at fair value through profit or loss	8,683	(7,542)
Remuneration to directors	7,883	7,943
Income arising from delivery service	13,366	13,033
Others	44,598	23,703
Total	$127,281	$73,951

C. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	$20,894	$26,982
Interest on lease liabilities	83	30
Total	$20,977	$27,012

D. Gains on disposal of investments

	For the years ended December 31,	
	2023	2022
Gains on disposal of investments accounted for using the equity method	$-	$6,211,072

(21)Components of other comprehensive income

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(6,711)	$-	$(6,711)	$394	$(6,317)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(114,826)	-	(114,826)	-	(114,826)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	252	-	252	-	252
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	(5,092)	-	(5,092)	-	(5,092)
Total	$(126,377)	$-	$(126,377)	$394	$(125,983)

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Others other comprehensive income	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$32,781	$-	$32,781	$-	$32,781
Unrealized gains from equity instruments investments measured at fair value through other comprehensive income	91,321	-	91,321	-	91,321
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(4,733)	-	(4,733)	-	(4,733)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	10,683	-	10,683	-	10,683
Total	$130,052	$-	$130,052	$-	$130,052

(22)Income tax

A. The major components of income tax expense (income) for the years ended December 31, 2023 and 2022 are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax payable	$6,798	$349,326
Additional 5% tax on undistributed earnings	251,414	5,552
Adjustments in respect of current income tax of prior periods	(48,145)	(32,402)
Deferred tax income	(6,540)	(29,898)
Total income tax expense	$203,527	$292,578

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax income:		
Remeasurements of defined benefit plans	$394	$-

A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022
Profit (loss) before tax from continuing operations	$122,892	$6,211,150
Tax at the domestic rates applicable to profits in the country concerned	$24,578	$1,242,231
Tax effects due to different tax rates in foreign jurisdictions	3,577	4,268
Tax effect of revenues exempt from taxation	(45,677)	(1,311,539)
Tax effect of expenses not deductible for tax purposes	4,310	502
Tax effect of deferred tax assets/liabilities	7,304	2,666
Undistributed surplus for income tax	251,414	5,552
Adjustments in respect of current income tax of prior periods	(48,145)	(32,402)
Other income tax effects adjusted in accordance with the tax laws and regulations	6,166	381,300
Total income tax expense recognized in profit or loss	$203,527	$292,578

B. Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Unrealized exchange losses	$-	$1,021	$-	$1,021
Unrealized inventory valuation losses	2,309	2,636	-	4,944
Unrealized gross losses from sales	750	3,132	-	3,882
Unused tax losses	30,431	-	-	30,431
Land value increment tax	(222,537)	-	-	(222,537)
Pension	(534)	(249)	394	(389)
Deferred tax income		$6,540	$394	
Net deferred tax assets (liabilities)	$(189,581)			$(182,648)
Reflected in balance sheet as follows:				
Deferred tax assets	$33,490			$40,278
Deferred tax liabilities	$(223,071)			$(222,926)

For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Unrealized exchange losses	$-	$-	$-	$-
Unrealized inventory valuation losses	2,309	-	-	2,309
Unrealized gross losses from sales	750	-	-	750
Unused tax losses	-	30,431	-	30,431
Land value increment tax	(222,537)	-	-	(222,537)
Pension	-	(534)	-	(534)
Deferred tax income		$29,897	$-	
Net deferred tax assets (liabilities)	$(219,478)			$(189,581)
Reflected in balance sheet as follows:				
Deferred tax assets	$3,059			$33,490
Deferred tax liabilities	$(222,537)			$(223,071)

C. Unrecognized deferred tax assets:

As of December 31, 2023 and 2022, deferred tax assets temporary differences no recognised as amounted to NT$209,116 thousand, and NT$117,924 thousand, respectively.

As of December 31, 2023, the merged companies have not yet recognized the deduction of losses on deferred tax assets. The deadline for deduction is as follows:

Amount not yet deducted	Tax not yet deducted	Last deduction year
$430	$86	2024
72,776	18,171	2025
293	59	2026
553	111	2027
$74,052	$18,427	

The items above are not recognized as deferred tax assets because it is not probable that the merged companies will have sufficient taxable income for use in the future.

D. The assessment of income tax return

As of December 31, 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Subsidiary - Pin-Tai	Assessed and approved up to 2021
Subsidiary - Taiwan Nikomart	Assessed and approved up to 2021
Subsidiary - Chuang Shin	Assessed and approved up to 2021
Subsidiary - Taisun Yuan	Assessed and approved up to 2021

(23)Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
Basic (losses) earnings per share		
(Loss) profit attributable to ordinary equity holders of the Company (in thousand NT$)	$(80,870)	$5,918,495
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	499,999	499,999
Less: number of treasury shares	13,606	13,606
Weighted average number of ordinary shares outstanding after adjustment	486,393	486,393
Basic (losses) earnings per share (NT$)	$(0.17)	$12.17

	For the years ended December 31,	
	2023	2022
Diluted earnings per share		
(Loss) profit attributable to ordinary equity holders of the Company	$(80,870)	$5,918,495
(After adjusting for the effect of dilutive potential ordinary share)		
Weighted average number of ordinary shares outstanding after adjustment	486,393	486,393
Employee compensation	-	8,485
Weighted average number of ordinary shares outstanding after dilution (in thousands)	486,393	494,878
(After adjusting for the effect of dilutive potential ordinary share)		
Diluted earnings per share (NT$)	$(0.17)	$11.96

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

(1) Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name of the related parties	Nature of relationship of the related parties
Long Bon International Co., Ltd.	Associates
Central Union Oil Corp.	Associates
Taiwan Familymart Co., Ltd.	Substantive related party
Taiwan Distribution Center Co., Ltd.	Substantive related party
Re-Yi Distribution Service Co., Ltd.	Substantive related party
Tonghwa International Golf Recreation Co., Ltd	Substantive related party
Family International Gourmet Co., Ltd.	Substantive related party
New Taipei City GuoBao Social Welfare and Charity Foundation	Substantive related party
Fortune Base Development Corp. Ltd.	Substantive related party
Global Funeral Services Co., Ltd.	Substantive related party

(2) Significant transactions with the related parties

A. Sales

	For the years ended December 31,	
	2023	2022
Associates:		
Central Union Oil Corp.	$2,921,364	$2,904,790
Others	628,738	611,773
	$3,550,102	$3,516,563

The sales price to the above related parties are not materially different from general convenience stores. The collection term for related parties was month-end 45-60 days, while the terms for third parties were month-end 30-90 days.

The Group provides services to related parties and third parties at varying fee rates based on the distance of the areas and the nature of the contracted items. For established clients, monthly settlements are conducted at the end of each month. Credit terms for logistics are set at 30 days and 45 days from month-end respectively. For third parties, credit terms range from 30 to 45 days from the invoice date.

The sales of soybean powder to Central Union Oil Corp. by the Group are priced based on market rates less relevant sales expenses, resulting in the net sales price. This pricing approach exhibits no significant deviations when compared to transactions with third parties. The credit terms for related parties range from 45 to 60 days. Credit terms for sales to third parties range from 30 to 45 days from month-end.

The unrealized gross profit on sales between the Group and the aforementioned related parties has been eliminated based on the equity ownership proportion.

B. Purchases and processing expense

	For the years ended December 31,	
	2023	2022
Associates:		
Central Union Oil Corp.	$223,594	$317,106

Payment terms for purchases from the aforementioned related parties are within 30 days from the date of arrival, which align with conditions similar to those for other related parties. The processing fees from the soybean oil refining carried out by the related party on behalf of the Group, where credit terms involve an advance payment based on estimated processing quantities, followed by settlement of the remaining payment balance within 15 days from month-end reconciliation. The Group does not engage in comparable transactions involving outsourcing to unrelated parties for processing.

C. Trade receivables - related parties

	As of	
	December 31, 2023	December 31, 2022
Associates		
Central Union Oil Corp.	$375,521	$404,528
Others	89,440	83,016
	$464,961	$487,544

D. Accounts payable

	As of	
Associates	December 31, 2023	December 31, 2022
Central Union Oil Corp.	$696	$4,825

E. Other current liabilities

	As of	
	December 31, 2023	December 31, 2022
Substantive related party		
FamilyMart, Taiwan Distribution Center	$14,098	$12,650

F. Property transactions

Acquisition of financial assets

	Accounts	Number of shares	Objects	For the year ended December 31, 2023 Consideration
Substantive related party	Financial assets at fair value through other comprehensive income - non-current	92,142	Equity	$5,068

The above-mentioned equity trasation was based on the market price on the day of purchase at the places of at the business of securities firms.

G. Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$31,869	$251,440

H. For the years ended December 31, 2023 and 2022, the recognition of consolidated dividend income is as follows:

	For the years ended December 31,	
	2023	2022
Associates - Central Union Oil Corp.	$44,000	$36,000
Other related party - Taiwan FamilyMart Co., Ltd.	44,567	235,641
	$88,567	$271,641

I. For the years ended December 31, 2023 and 2022, the recognition of consolidated remuneration to directors is as follows:

	For the years ended December 31,	
	2023	2022
Associates - Central Union Oil Corp.	$723	$536
Other related party - Taiwan FamilyMart Co., Ltd.	4,400	7,407
	$5,123	$7,943

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying Amount		Secured liabilities
	As of December 31, 2023	As of December 31, 2022	
Other financial assets, current	$90,000	$4,606	Forward exchange agreement and Foreign Exchange Option
Other financial assets, current	1,500	900	Guarantee deposits for provisional execution
Financial assets at fair value through other comprehensive income non-current	378,000	1,401,465	Short-term/long-term borrowings
Total	$469,500	$1,406,971	

9. Significant contingencies and unrecognized contractual commitments

The list of significant contingencies and unrecognized contractual commitments of the Group as of December 31, 2023 is as follows:

(1)Amounts available under unused letters of credit:

	As of	
	December 31, 2023	December 31, 2022
Amounts available under unused letters of credit	$-	$656,664

(2)The amounts of contract signed and consideration paid for the acquisition of fixed assets and advertising endorsement are as follows:

	As of	
	December 31, 2023	December 31, 2022
Signed Contract	$83,181	$76,339
Price paid	$36,221	$59,181

(3)The Group has issued promissory notes as guarantees for bank financing performance both in the amount of NT$250,000 thousand as of December 31, 2023 and 2022.

(4)In May 2022, the Group has acquired the authorized distribution rights for alcoholic beverages in China region (excluding Taiwan) from Matsu Liquor Factory Industry Co., Ltd. The distribution rights commenced on September 1, 2022, and the agreement is valid for a period of three years. The minimum amount of distribution for this period is set at a minimum of NT$300,000 thousand.

(5)In March 2023, the Group has entered into a master dealer agreement for alcoholic beverages in Taiwan with Matsu Liquor Factory Industry Co., Ltd. The distribution rights commenced on July 1, 2023, and the agreement is valid for a period of three years. The minimum amount of distribution for this period is set at a minimum of NT$1,589,000 thousand. Additionally, if the Group does not achieve the minimum distribution amount or perform this contract, Matsu Liquor Factory Industry Co., Ltd. may terminate this contract without a prior notice and forfeit the performance guarantee deposit in the amount of NT$26.5 million.

(6)On December 2, 2022, the Board of Directors resolved to partially dispose of the Company's shares in FamilyMart Co., Ltd. (FamilyMart). On December 5, 2022, the Company disposed of 43,300 thousand shares with a net disposal consideration in the amount of NT$7,986,979 thousand through intra-day block trade. The Company has received the entirety of this consideration and recognized a gain on disposal of investments in the amount of NT$5,325,489 thousand at the same year. The Company's shareholding in FamilyMart has decreased from 22.47% to 3.07%. As the Company lost significant control over FamilyMart, it remeasured the remaining 3.07% shareholding at the time of the disposal. The fair value as of December 5, 2022 was then reclassified to financial assets measured at fair value through other comprehensive income, non-current. As a result, the Group recognized a gain on disposal of investments in the amount of NT$885,583 thousand and the total gain on disposal of investment for the year ended December 31, 2022 amounted to NT$6,211,072 thousand.

On January 11, 2023, the Company received a notice from the Intellectual Property and Commercial Court regarding an action filed against the Company by Everwin Investment Co., Ltd. and Long Bon International Co., Ltd. The action was seeking invalidation of the 8th meeting of the 22nd board resolution of the Company concerning the "disposal of shares held in FamilyMart Co., Ltd." The reasons provided include failure to comply with Subparagraph 2, Paragraph 1, Article 185 of the Company Act by not submitting the aforementioned proposal for a special resolution at the shareholders' meeting, as well as inadequate provision of information to the Board of Directors and violations of the legal procedures for convening the board meeting, rendering the resolution invalid. The parties involved in this lawsuit were Long Bon International Co., Ltd. and the Company, as well as other interveners including Wan Bao Development Co., Ltd., Hon-Chiang Co., Ltd. and Ching-Hsun Investment Industrial Co., Ltd. As of the financial reporting date, the case is still pending at the Intellectual Property and Commercial Court.

(7)The Company was under investigation by the Fair Trade Commission for the alleged price-fixing with several fish feed companies, which may be liable for punishment. As of the financial reporting date, the case is still pending.

(8)Please refer to Note 6(9) for relevant information on the 40.39% equity investment in JKO FinTech Co., Ltd.

(9)In 2023, the Company was sued by Mei Ruei Advertisement Co., Ltd. in the Taipei District Court, claiming that the Company should pay the advertising fees and liquidated damages totaling approximately NT$40,503 thousand. As of the date of the financial statements, this case was still pending in court.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

Financial assets

	As of	
	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$104,049	$95,366
Financial assets at fair value through other comprehensive income	1,413,304	1,522,815
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,820,758	8,502,417
Financial assets measured at amortized cost	130,013	-
Trade receivables (include relating parties)	1,408,836	1,482,855
Other receivables (include relating parties)	16,984	10,123
Prepayment for investments	3,600,000	-
Other financial assets (current and non-current)	133,452	20,994
Subtotal	7,110,043	10,016,389
Total	$8,627,396	$11,634,570

Financial liabilities

	As of	
	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$-	$769,490
Short-term notes payable	-	370,000
Accounts payable	563,819	616,655
Other payables (including related parties)	355,324	949,854
Long-term borrowings(including current portion with maturity less than 1 year)	-	570,000
Leases liabilities	5,446	2,284
Deposits received	6,630	6,530
Total	$931,219	$3,284,813

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rate for USD. The information of the sensitivity analysis is as follows:

A. When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$3,821 thousand and NT$1,035 thousand, respectively.
B. When NTD strengthens/weakens against JPY by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$242 thousand and NT$119 thousand, respectively.
C. When NTD strengthens/weakens against CNY by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$219 thousand and NT$225 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's bank borrowings with variable interest rates and investments at variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 0.5 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NT$0 thousand and NT$28,322 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 5% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2023 and 2022 by NT$3,004 thousand and NT$2,913 thousand, respectively.

At the reporting date, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an increase/decrease of NT$69,888 thousand and NT$75,171 thousand on the equity attributable to the Group for the years ended December 31, 2023 and 2022, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for trade receivables and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023 and 2022, trade receivables from the top customer, Central Union Oil Corp., represent 27% and 26% of the trade receivables of the Group, respectively. The credit concentration risk of trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss were acquired with low credit risk as the prerequisite upon acquisition. The Group makes an assessment at each reporting date as to whether the credit risk significantly increases since original recognition, and further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Group will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Total
As of December 31, 2023					
Accounts payable	$563,819	$-	$-	$-	$563,819
Other payables (including related parties)	355,324	-	-	-	355,324
Leases liabilities	1,114	914	2,112	1,544	5,684
Deposits received	6,630	-	-	-	6,630
As of December 31, 2022					
Long-term and sort- term borrowings (including estimated interest payments)	$790,128	$575,358	$-	$-	$1,365,486
Short-term notes payable (including estimated interest payments)	370,000	-	-	-	370,000
Accounts payable	616,655	-	-	-	616,655
Other payables (including related parties)	949,854	-	-	-	949,854
Leases liabilities	1,233	505	571	-	2,309
Deposits received	6,530	-	-	-	6,530

(6) Reconciliation of liabilities arising from financing activities

For the year ended December 31, 2023:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
January 1, 2023	$769,490	$370,000	$570,000	$2,284	$1,711,774
Cash flows	(769,490)	(370,000)	(570,000)	(3,197)	(1,712,687)
Non-cash changes	-	-	-	6,359	6,359
As of December 31, 2023	$-	$-	$-	$5,446	$5,446

For the year ended December 31, 2022:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Leases liabilities	Total liabilities from financing activities
January 1, 2022	$516,312	$520,000	$1,050,000	$3,475	$2,089,787
Cash flows	253,178	(150,000)	(480,000)	(2,727)	(379,549)
Non-cash changes	-	-	-	1,536	1,536
As of December 31, 2022	$769,490	$370,000	$570,000	$2,284	$1,711,774

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the Taiwan Exchange, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

e. The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group’s financial assets and financial liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

None.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group’s assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group’s assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss:				
Listed domestic companies stocks	$60,090	$-	$-	$60,090
Beneficiary certificate - open end funds	43,959	-	-	43,959
Financial assets at fair value through other comprehensive income:				
Listed domestic companies stocks	1,397,756	-	-	1,397,756
Unlisted domestic companies stocks	11,609	-	1,155	12,764
Unlisted foreign companies stocks	-	-	2,817	2,817

As of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss:				
Listed domestic companies stocks	$58,258	$-	$-	$58,258
Beneficiary certificate - open end funds	37,108	-	-	37,108
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,503,413	-	-	1,503,413
Unlisted domestic companies stocks	-	-	1,155	1,155
Unlisted foreign companies stocks	-	-	18,247	18,247

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value measurements in Level 3 of the fair value hierarchy for movements during the period

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
January 1, 2023	$19,402
Total gains and losses recognized for the year ended December 31, 2023:	
Recognized in other comprehensive income (Presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(15,430)
As of December 31, 2023	$3,972

	Assets
	At fair value through other comprehensive income
	Stocks
January 1, 2022	$12,372
Total gains and losses recognized for the year ended December 31, 2022:	
Recognized in other comprehensive income (Presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	7,030
As of December 31, 2022	$19,402

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach - Comparable Company Analysis	discount for lack of marketability	50%	The higher the discount for lack of marketability	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$40 thousand

As of December 31, 2022:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach - Comparable Company Analysis	Discount for lack of marketability	50%	The higher the discount for lack of marketability	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$194 thousand
Financial assets measured at fair value through other comprehensive income					
Stocks	Asset-Based Approach	Discount for lack of marketability	25%	The higher the discount for lack of marketability	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's profit or loss by NT$194 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Amount Unit: in thousands

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$13,192	30.735	$405,468
CNY	5,833	4.3338	25,281
JPY	111,359	0.2173	24,198
Financial liabilities			
Monetary items:			
USD	$762	30.735	$23,413
CNY	2,272	4.3338	9,846

	As of December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$6,101	30.7080	$188,260
CNY	18,088	4.4175	79,907
JPY	51,170	0.2324	11,892
Financial liabilities			
Monetary items:			
USD	13,335	30.7080	409,490

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information on significant transactions

No.	Items	Attachments
1	Financing provided to others	Attachment 1
2	Providing endorsements or guarantees for others	None
3	Securities held as of December 31, 2023. (Excluding subsidiaries, associates and joint ventures)	Attachment 2
4	Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more	Note
5	Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more	None
6	Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more	None
7	Related party transactions for purchases and sales amounts reaching NT$100 million or 20 percent of paid-in capital	Attachment 3
8	Receivables from related parties with accounts exceeding the lower of NT$100 million or 20 percent of the capital stock	Attachment 4
9	Trading in derivative instruments	None
10	Other: The business relationship, significant transactions and amounts between parent company and subsidiaries	Attachment 5

(Note: Please refer to Note 6(9) for more details on the acquisition of equity in JKO FinTech Co., Ltd. for NT$3.6 billion in May 2023)

(2) Information on investees:

No.	Items	Attachments
1	Financing provided to others	Attachment 1
2	Providing endorsements or guarantees for others	None
3	Securities held as of December 31, 2023. (Excluding subsidiaries, associates and joint ventures)	Attachment 2
4	Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more	None
5	Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more	None
6	Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more	None
7	Related party transactions for purchases and sales amounts reaching NT$100 million or 20 percent of paid-in capital	Attachment 3
8	Receivables from related parties with accounts exceeding the lower of NT$100 million or 20 percent of the capital stock	Attachment 4
9	Trading in derivative instruments	None
10	Information related to the names, locations, etc. of the investee companies (Excluding investment in China)	Attachment 6

(3) Information on nvestment in Mainland China: Please refer to Attachment 7.

(4) Information on major shareholders:

Shares / Name of major shareholders	Number of shares held (shares)	Shareholding
Long Bon International Co., Ltd.	191,721,000	38.34%
Everwin Investment Co., Ltd.	58,279,000	11.66%

14. Segment information

(1)General information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

A. Consumption Division: Processing, manufacturing, wholesaling and retailing of oils, food, and beverages.
B. Commodity Division: Processing, manufacturing, wholesaling, and retailing of feed, soybean flour, and ranch products.
C. Foreign Division: Providing sales services for food, beverages, and snacks in overseas markets.
D. Other: The construction division and other management divisions.

The Group's reportable segments include strategic business units offering different products and services. Due to the distinct technical requirements and marketing strategies of each strategic business unit, they are managed separately. Most business units are acquired separately and retain their current management teams upon acquisition.

(2)The information on profit or loss, assets, and liabilities of reportable segments

For the year ended December 31, 2023

	Consumption Division	Commodity Division	Foreign Division	Other	Adjustment and elimination	Total
Revenue						
External customer	$6,432,165	$3,750,242	$644,903	$401,115	$-	$11,228,425
Inter-segment	-	-	-	-	-	
Total revenue	$6,432,165	$3,750,242	$644,903	$401,115	$-	$11,228,425
Segment profit	$(75,137)	$113,585	$70,463	$13,981	$-	$122,892

For the year ended December 31, 2022

	Consumption Division	Commodity Division	Foreign Division	Other	Adjustment and elimination	Total
Revenue						
External customer	$6,040,100	$3,969,706	$631,525	$428,109	$-	$11,069,440
Inter-segment	-	-	-	-	-	
Total revenue	$6,040,100	$3,969,706	$631,525	$428,109	$-	$11,069,440
Segment profit	$96,248	$80,107	$62,243	$5,972,552	$-	$6,211,150

(Note) The measurement amounts of the merged companies' assets are not provided to the operating decision-makers, the amounts of assets and liabilities measurements shall be disclosed as nil.

(3)Geographical information

Revenues from external customers:

	For the years ended December 31,	
	2023	2022
Taiwan	$10,261,803	$10,059,803
Other countries	966,622	1,009,637
Total	$11,228,425	$11,069,440

The revenue information above is based on the location of the customer.

Non-current assets:

	As of December 31	
	2023	2022
Taiwan	$2,511,160	$2,538,175
Other countries	77,738	84,412
Total	$2,588,898	$2,622,587

(4)Information about Major customers

	For the years ended December 31,	
Sales	2023	2022
Company A	$2,921,364	$2,904,790

The measurement amounts of assets and liabilities are not provided to the operating decision-makers, the amounts of assets and liabilities measurements shall be disclosed as nil.

Attachment 1: Financings provided to others

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Lender	Counterparty	Financial statement account (Note 2)	Related party	Maximum balance for the period (Note 3)	Ending balance (Note 8)	Actual amount provided	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchase from) counterparty (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counterparty (Notes 7 and 8)	Limit of total financing amount (Notes 7 and 8)
													Item	Value		
0	The Company	Taisun Enterprise (Zhang Zhou) Foods Ltd.	Other receivables - related parties	Yes	$65,007	$-	$-	-	2	$-	Repayment of financing for working capital for operations	$-	None	$-	$1,207,865	$2,415,731
1	Taisun (Cayman) Investment Ltd.	Taisun Enterprise (Zhang Zhou) Foods Ltd.	Other receivables - related parties	Yes	56,339	-	-	-	2	-	Repayment of financing for working capital for operations	-	None	-	363,229	363,229

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items recorded include trade receivables from associates, receivables from related parties, shareholder transactions, prepayments, advances, and similar items. If these items are of a nature involving financing provided to others, fill in the field.

Note 3: Fill in the maximum balance of funds provided to others (amount approved by the Board of Directors) accumulated for the nine-month period ended September 30, 2023.

Note 4: Explanation of the nature of financing: Investee company that has a business relationship with the parent is coded "1"; Short-term financing is coded "2".

Note 5: Fill in the amount of sales to (purchase from) counterparty for financing categorized as business transactions.

Note 6: Where short-term financing is needed, the reasons for and use of such loans shall be enumerated, e.g., repayment for borrowings, acquisition of equipment, working capital for operations, etc.

Note 7: For short-term financing, the limit of financing provided shall not exceed 20% of the lender's net worth. For individual counterparty, the limit shall be lower of 10% of the lender's net worth or 50% of the counterparty's net worth.

Note 8: Where the Company directly or indirectly holds 100% of the voting shares of a foreign corporation, engaging in financing activities, or when the Company directly or indirectly holds 100% of the voting shares of a foreign corporation that is engaging in financing activities with the Company, the limit for such financing amount shall not exceed 100% of the lender's net worth. The period of financing shall not exceed two years.

Note 9: In accordance with Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and loans of funds between the public company and its parent company or subsidiaries, or between its subsidiaries shall be submitted for a resolution by the board of directors, even if the disbursement has not yet occurred, the board-approved amount shall be disclosed as a reported balance to disclose the assumed risk. Subsequently, upon repayment of the funds, the adjusted remaining balance shall be disclosed to reflect risk adjustments.

In the case where a public company operates under Paragraph 2, Article 14 of the regulation, authorizing the chairman of the board to disburse funds incrementally within a certain limit and over a one-year period, the announced reported balance shall be based on the board-approved amount. After the fund is repaid, considering the possibility of further disbursements, the reported balance shall continue to reflect the board-approved fund lending limit.

Attachment 2: Securities held at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture)

Unit: in Thousands of New Taiwan Dollars

Held company	Type of securities	Name of securities	Relationship with the securities issuer (Note 2)	Financial statement account	Ending of period				Note
					Shares/Units	Carrying Amount	Percentage of ownership (%)	Fair Value	
The Company	Stock	Yi Jinn Industrial Co., Ltd	-	Financial assets at fair value through profit or loss, currer	2,622,600	$48,781	0.87%	$48,781	
The Company	Stock	Cando Corporatior	-	Financial assets at fair value through profit or loss, currer	256,923	-	0.07%	-	
The Company	Fund	Fubon S&P US Preferred Stock ETF	-	Financial assets at fair value through profit or loss, currer	1,000,000	14,820	- %	14,820	
The Company	Fund	Yuanta Global NextGen Communications ETI	-	Financial assets at fair value through profit or loss, currer	500,000	17,250	- %	17,250	
The Company	Fund	Yuanta Global Leaders Balanced Fund-TWD(A	-	Financial assets at fair value through profit or loss, currer	33,000	11,888	- %	11,888	
The Company	Preferred stock	Cathy Financial Holding Co., Ltd. Preferred Stock /	-	Financial assets at fair value through other comprehensive income, non-currer	333,000	19,847	- %	19,847	
The Company	Stock	Fwusow Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	3,877,950	72,664	1.17%	72,664	
The Company	Stock	Taiwan Familymart Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	6,836,417	1,292,083	3.06%	1,292,083	
The Company	Stock	Yin-Wang Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	10,000	100	10.00%	100	
The Company	Stock	China Trade and Development Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	2,788	28	- %	28	
The Company	Stock	Mega 888 Corp.	-	Financial assets at fair value through other comprehensive income, non-currer	17,350	174	1.16%	174	
The Company	Stock	Taisun Foods & Marketing Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	886,788	-	18.90%	-	
The Company	Stock	Hsin Tung Yang Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	79,000	853	0.09%	853	
The Company	Stock	Family International Gourmet Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	91,874	11,576	0.40%	11,576	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Taitung Business Bank	-	Financial assets at fair value through profit or loss, currer	9,628	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Hualon Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	5,176	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Chung Hsin Electric & Machnery Manufacturing Corporatio	-	Financial assets at fair value through other comprehensive income, non-currer	1,183	138	- %	138	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Pacific Elrctric Wire & Cable Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	579	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Lite-On Technology Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	6,260	733	- %	733	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Wus Printed Circuit Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	729	28	- %	28	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Macronix International Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	362	11	- %	11	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Winbond Electronics Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	1,195	36	- %	36	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Silicon Integrated System Corp	-	Financial assets at fair value through other comprehensive income, non-currer	2,536	116	- %	116	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Pao Shiang Construction & Industrial Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	27,425	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Kerry TJ Logistics Co., Limitec	-	Financial assets at fair value through other comprehensive income, non-currer	15,524	596	- %	596	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	China Development Financial Holding Corporatio	-	Financial assets at fair value through other comprehensive income, non-currer	56,505	709	- %	709	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Taishin Financial Holding Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	112,067	2,029	- %	2,029	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Shin Kong Financial Holdings Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	20,225	179	- %	179	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	CGS International, Inc	-	Financial assets at fair value through other comprehensive income, non-currer	565	12	- %	12	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-currer	10,351,332	232,905	2.07%	232,905	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Ornatube Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	55,000	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd	Stock	Kuei Hung Industrial Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	22,000	-	- %	-	
Taiwan Nikomart Co., Ltd.	Stock	Charoen Pokphand Enterprise (Taiwan) Co., Ltd	-	Financial assets at fair value through profit or loss, currer	117,700	11,310	0.04%	11,310	
Taiwan Nikomart Co., Ltd.	Stock	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-currer	2,960,186	66,604	0.59%	66,604	
Chuang Shin Traffic Co., Ltd	Stock	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-currer	368,524	8,292	0.07%	8,292	
Chuang Shin Traffic Co., Ltd	Stock	Chung Hsin Electric & Machnery Manufacturing Corporatio	-	Financial assets at fair value through other comprehensive income, non-currer	1,928	225	- %	225	
Chuang Shin Traffic Co., Ltd	Stock	Winbond Electronics Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	5,305	161	- %	161	
Chuang Shin Traffic Co., Ltd	Stock	Sysgration Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	42,451	1,518	0.02%	1,518	
Chuang Shin Traffic Co., Ltd	Stock	Powerchip Technology Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	-	-	- %	-	
Chuang Shin Traffic Co., Ltd	Stock	Powerchip Semiconducter Manufacturing Co	-	Financial assets at fair value through other comprehensive income, non-currer	38,995	1,148	- %	1,148	
Chuang Shin Traffic Co., Ltd	Stock	Taitung Business Bank	-	Financial assets at fair value through profit or loss, currer	9,628	-	- %	-	
Chuang Shin Traffic Co., Ltd	Stock	Hualon Corporatior	-	Financial assets at fair value through other comprehensive income, non-currer	5,176	-	- %	-	
Chuang Shin Traffic Co., Ltd	Stock	Pao Shiang Construction & Industrial Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	38,760	-	- %	-	
Chuang Shin Traffic Co., Ltd	Stock	Kuei Hung Industrial Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	22,000	-	- %	-	
Chuang Shin Traffic Co., Ltd	Stock	Ornatube Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	60,000	-	- %	-	
Taisun (Cayman) Investment Ltd	Stock	Yamai Limited	-	Financial assets at fair value through other comprehensive income, non-currer	-	2,817	3.66%	2,817	(Note 4)
Taisun Yuan Co., Ltd.	Stock	Fwusow Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-currer	88,580	1,710	0.03%	1,710	
Taisun Yuan Co., Ltd.	Stock	Family International Gourmet Co., Ltd	-	Financial assets at fair value through other comprehensive income, non-currer	268	33	0.01%	33	
Taisun Yuan Co., Ltd.	Stock	Taiwan Familymart Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	20,000	3,780	0.01%	3,780	

Note 1: "Financial instruments" as referred to in this table includes stocks, bonds, beneficiary certificate, and securities derived from the aforementioned items, within the scope of IFRS 9 Financial Instruments.

Note 2: Not required if the issuer of securities is not a related party

Note 3: For items measured at fair value, the "Carrying amount" column represents the adjusted carrying amount after fair value assessment and deduction of accumulated impairme

For items not measured at fair value, the "Carrying amount" column represents the carrying amount after deducting accumulated impairments from the original cost or amortized c

Note 4: Unissued shares.

Attachment 3

Related party transactions for purchases and sales amoount reaching NT$100 million or 20 percent of paid-in capital for the year ended December 31, 2023:

Unit: in Thousands of New Taiwan Dollars

Related parties	Counterparty	Relationship	Transaction Details				Details of non-arm's length transaction		Notes and trade receivables (payables)		Note
			Purchase (Sales)	Amount	Percentage of total purchases (sales)	Terms	Unit price	Terms	Balance	Percentage of total notes/trade receivables (payables)	
The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Parent and subsidiary	Sales	$(2,301,399)	(24%)	Payment by monthly settlement with a 60-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	$516,613	36%	(Note 2)
The Company	Central Union Oil Corp.	Associate	Sales	(2,921,364)	(30%)	Receipt of payment within 45 to 60 days	Trading condition is not significantly different	Trading condition is not significantly different	375,521	26%	
The Company	Central Union Oil Corp.	Associate	Purchases	223,594	3%	Payment by monthly settlement with a 15-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	(696)	(0.1%)	
Chuang Shin Traffic Co., Ltd.	Taiwan Distribution Center Co., Ltd.	Substantive related party	Sales	(248,977)	(64%)	Payment by monthly settlement with a 30-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	21,712	48%	
Chuang Shin Traffic Co., Ltd.	Re-Yi Distribution Service Co., Ltd.	Substantive related party	Sales	(111,591)	(29%)	Payment by monthly settlement with a 45-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	20,571	45%	
Pin-Tai Distribution Enterprise Co., Ltd.	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Purchases	2,301,399	95%	Payment by monthly settlement with a 60-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	(516,612)	(94%)	(Note 2)
Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Distribution Center Co., Ltd.	Substantive related party	Sales	(137,048)	(5%)	Payment by monthly settlement with a 45-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	24,874	6%	

Note 1: The above ratios are calculated based on the individual financial statements of companies as a percentage of their respective sales (purchases) of goods.

Note 2: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

Attachment 4: Receivables from related parties with amounts exceeding NT$100 million or 20% of the paid-in capital for the year ended December 31, 2023:

Unit: in Thousands of New Taiwan Dollars

Related Parties	Counterparty	Relationships	Ttrade receivables - related parties (Note 1)	Turnover rate	Overdue trade receivables - related parties		Collection in subsequent period	Allowance for doubtful debt
					Amount	processing method		
The Company	Central Union Oil Corp.	Associate	$375,521	7.49	-	-	$375,521	-
The Company (Note)	Pin-Tai Distribution Enterp	Parent and subsidiary	516,613	4.50	-	-	350,105	-

Note: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

Attachment 5: Significant intercompany transactions between consolidated entities

Unit: in Thousands of New Taiwan Dollars

No. (Note 1)	Company Name	Counterparty	Relationship	Transaction details			
				Accounts	Amount	Transaction terms	Percentage of consolidated total operating revenues or consolidated total (Note 2)
0	The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Parent and subsidiary	Sales	$2,301,399	Payment within 60 days from the end of the month	20.50%
0	The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Parent and subsidiary	Trade receivables - related parties	516,613	Payment within 60 days from the end of the month	3.78%
0	The Company	Taisun Enterprise (Zhang Zhou) Foods Ltd.	Parent and subsidiary	Sales	8,981	Advances from customers	0.08%

Note 1: The information of significant transactions and amounts between the Company and subsidiaries are coded as follows:

The Company is coded "0".

The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end.

For profit or loss items, interim cumulative balances are used as basis.

Table 6: Information related to the names, locations, etc. of the investee companies (Excluding investment in China)

Unit: in Thousands of New Taiwan Dollars

Investor	Investee company	Location	Main businesses and products	Initial Investment Amount		Ending Balance			Net income (losses) of the investee	Investment income (loss) recognized (Note 3)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership (%)	Carrying Amount			
The Company	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	$284,067	$284,067	27,203,632	73.92%	$27,105	$3,724	$1,098	Note 4
The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan	Wholesale and retail of edible oils and fats.	346,126	346,126	21,255,839	99.93%	260,633	28,322	22,407	Note 4
The Company	Taisun (Cayman) Investment Ltd.	Cayman	Investment	1,498,670	1,498,670	40,290,000	100.00%	361,522	70,463	70,463	Note 4
The Company	Taisun Yuan Co., Ltd.	Taiwan	Investment management	5,000	5,000	500,000	100.00%	21,850	6,254	6,254	Note 4
The Company	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26%	8,360	5,706	552	Note 4
The Company	Central Union Oil Corp.	Taiwan	Manufacturing, processing, and selling of bean products	204,125	204,125	20,000,000	33.33%	314,127	160,645	53,548	Note 2
Pin-Tai Distribution Enterprise Co., Ltd.	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21%	98,018	5,706	4,805	Note 4
Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	87,084	87,084	8,904,412	24.20%	28,439	3,724	901	Note 4
Taisun (Cayman) Investment Ltd.	Taisun International Ltd.	BVI	Sale of oil products	-	-	-	100.00%	-	-	-	Note 4

Note 1: If a public company has holding company in other country and had issued consolidated financial statement under local regulations, about these investee could disclosed their holding company's relevant information.

Note 2: For circumstances not listed in Note 1, filled in by the following rules:

(1) "Investee company", "Address", "Main businesses and products", "Initial investment" and "Investment as of September 30, 2023" shall be filled in the Company's investment to the subsidiaries' re-investment in corresponding order, and indicate the relationship in the Notes.

(2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the nine-month period ended September 30, 2023.

(3) "Investment income (loss) recognized", shall be filled in only investment income (loss) under the equity method, and the investor shall confirm that its investment income (loss) includes the subsidiaries' re-investment.

Note 3: This includes the unrealized profit from downstream and upstream sales.

Note 4: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

Attachment 7: Information on investments in Mainland China

Unit: in Thousands of New Taiwan Dollars

Investees Company	Main businesses 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 December 31, 2023	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized	Carrying Value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023
					Outflow	Inflow						
Taisun Enterprise (Zhang Zhou) Foods Ltd.	Engaged in the production and sale of food, beverages, snacks, canned goods, etc.	$845,213 (USD27,500)	(2) (Note 4)	$1,026,549 (USD33,400)	-	-	$1,026,549 (USD33,400)	$71,535	100.00%	$71,535	$295,763	
Cheng Da Restaurant Investment Management (Sichuan) Ltd.	Sale of freshly baked bread, etc.	39,033 (USD1,270)	(2) (Note 5)	19,056 (USD620)	-	-	19,056 (USD620)	-	3.66%	-	-	
Jiangsu Da Mai Foods Ltd.	Sale of freshly baked bread, etc.	102,196 (USD3,328)	(2) (Note 5)	22,437 (USD730)	-	-	22,437 (USD730)	-	3.66%	-	1,356	

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by investment commission, MOEA	Upper limit on investment
$1,068,042	$1,470,670	$7,247,195

Note 1: Investment in China includes the following methods of investment:

(1) Direct investment in a China company.

(2) Investment in China companies by remittance through a third region.

(3) Other methods of investing in China.

Note 2: In the Investment income (loss) recognized column:

(1) If it is in the preparation stage and has not generated investment gains or losses yet, it shall be clearly indicated.

(2) Investment gain and loss recognition bases are classified into the following three types, and shall be indicated:

A. Financial statements reviewed by an international accounting firm in collaboration with a Taiwanese CPA firm.

B. Financial statements reviewed by the CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this table shall be presented in New Taiwan Dollars. For transactions involving foreign currencies, except for the investee company's current period income and the investment income recognized in the current period , which are converted using the average exchange rate during the financial reporting period, the conversion to New Taiwan Dollars shall be converted using the exchange rate as of the balance sheet date of the financial statements.

Note 4: Investment made through the intermediary of an investee company, Taisun (Cayman) Investment Ltd., to further invest in China company.

Note 5: Indirect investment in China company through a downstream investment in Yamai Limited, holding a 3.66% stake. As there is no significant influence, investment income has not been recognized.

Independent Auditor's Report Translated form Chinese

To Taisun Enterprise Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taisun Enterprise Co., Ltd. (the"Company") as of December 31, 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the *Other Matter – Making Reference to the Audits of Other Auditors section* of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of Taisun Enterprise Co., Ltd. as of December 31, 2023, and the financial performance and the cash flows for the year ended December 31, 2023, in conformity with the requiremants of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

For the parent company only financial statements of the Company for the year ended December 31, 2023, we conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Correctness of timing of revenue recognition

The operating revenue of the Company is mainly generated from the manufacturing and sales of oil, food, beverage, feed and other products. Due to different transaction conditions (such as consignment and outright sales, etc.), we believe that the correctness of the point at which the controlling right of goods has been transferred to the customer and performance obligations have been met is material to the parent company only financial statements and is therefore determined to be a key audit matter. Our audit procedures include, but are not limited to, evaluating and testing the effectiveness of the design and implementation of internal controls related to the sales cycle, selecting samples to perform transaction tests of details, reviewing their transaction records and checking material terms and conditions in orders or contracts to confirm when the performance obligations are met, performing cutoff tests for a period before and after the balance sheet date, selecting samples to review transaction conditions and checking relevant transaction vouchers to confirm that performance obligations have been indeed met. We also considered the appropriateness in disclosures of operating revenues in Note 6 to the parent company only financial statements.

Inventory valuation

As of December 31, 2023, the amount of inventories of the Company was NT$1,240,969 thousand, which is considered material to the parent company only financial statements. As the main raw materials for products such as oils and feeds are imported from abroad and are affected by international market fluctuations, and the market for food and beverages is highly competitive and subject to expiry, the Company management must assess possible losses for market price decline and obsolete and slow-moving inventories. As the assessment involves judgment from management, we therefore considered this a key audit matter. Our audit procedures include (but are not limited to) understanding the policies and management's evaluation procedures for the allowance for inventories valuation losses, testing the effectiveness of relevant internal control implementation;, selecting samples to test the ranges of inventory aging and recalculating the correctness of the amount accrued. In addition, we select inventory samples to check transaction vouchers to verify the correctness of the net realizable value used by management, analyze and evaluate the inventory provision policies to confirm the reasonableness of inventory valuation. We also considered the appropriateness of disclosures of inventory accounting policies in Notes 4, 5 and 6 to the parent company only financial statements.

Emphasis of Matter – Contingency

As explained in Note 9 to the financial statements, on January 11, 2023, the Company received a civil complaint from Everwin Investment Co., Ltd. and Long Bon International Co., Ltd. requesting to invalidate the board resolution of the Company in 2022 regarding the disposal of shares in Taiwan FamilyMart Co., Ltd. The case is currently under trial in the Intellectual Property and Commercial Court. We have not revised the review conclusion as a result of this matter.

Emphasis of Matter – Non-current Prepayments for Investments

As explained in Note 6 (9), the Company paid a transaction price of NT$3.6 billion (including the withholding and unpaid securities transaction tax in the amount of NT$4.2 million) for the equity investment in JKO FinTech Co., Ltd in May 2023. However, the Intellectual Property and Commercial Court ruled on this case and granted the shareholders of the Company preliminary injunction maintaining a temporary status quo, prohibiting the Company from executing this equity investment until the final ruling of the litigation. Subsequently, the Company filed a lawsuit against JKO FinTech Co., Ltd and Dorian Innovation Limited in the Taipei District Court of Taiwan in August 2023 for the return of investment funds. The case is currently under trial in the Taipei District Court of Taiwan. We have not revised the audit opinion as a result of this matter.

Other Matters

The financial statements of some of the investee companies included in the parent company only financial statements as of December 31, 2023 were not audited by us, the independent accountant, but by other accountants. Therefore, our opinions expressed herein regarding the amounts recorded in the financial statements of certain investee companies are based solely on the reports of the other auditors. The investment accounted for using the equity method in these investee companies as of December 31, 2023 amounted to NT$314,127 thousand, accounting for 2% of the total assets. For the year ended 31 December 2023, the shares of profit and loss of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT$53,548 thousand, accounting for 48% of the net income before tax. For the year ended 31 December 2023, the shares of other comprehensive income of subsidiaries, affiliates and joint ventures recognized by the equity method amounted to NT$252 thousand, accounting for (0.2)% of the other comprehensive income.

The parent company only financial statements of the Company for the year ended December 31, 2022 were audited by other auditors, and an audit report with unqualified opinions including other matters was issued on March 31, 2023.

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

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

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

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

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

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Su-Wen

Yang, Chih-Huei

Ernst & Young, Taiwan

March 12, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD.

PARENT COMPANY ONLY BALANCE SHEET

As of December 31, 2023 and December 31, 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31, 2023	As of December 31, 2022
Current assets			
Cash and cash equivalents	4, 6	$1,406,819	$8,006,443
Financial assets at fair value through profit or loss, current	4, 6	92,739	86,150
Notes receivables, net	4, 5, 6	89,007	112,878
Trade receivables, net	4, 5, 6	462,544	451,218
Trade receivables - related parties, net	4, 5, 6, 7	896,697	914,489
Other receivables		4,256	5,554
Other receivables - related parties, net	7	4,564	4,269
Inventories, net	4, 5, 6	1,240,969	1,473,723
Biological assets, current		24,634	21,260
Prepayments to supplier		624,301	361,187
Other prepayments		20,392	20,582
Other financial assets, current	6	91,500	5,506
Other non-current assets		1,440	2,499
Total current assets		4,959,862	11,465,758
Non-current assets			
Financial assets at fair value through other comprehensive income, non-curren	4, 6, 8	1,397,325	1,492,062
Investments accounted for using the equity metho	4, 6	993,597	894,361
Property, plant and equipment	4, 6	1,705,771	1,731,135
Investment properties, net	4, 6	533,630	534,838
Intangible assets	4	107	519
Biological assets, non-current	4	7,033	7,065
Deferred tax assets	4, 5, 6	39,934	33,146
Prepayments for investments	4, 6	3,600,000	-
Net defined benefit assets	6	50,291	49,110
Other financial assets, non-current	6	36,692	12,611
Total non-current assets		8,364,380	4,754,847
Total assets		$13,324,242	$16,220,605

(The accompanying notes are an integral part of the consolidated financial statements)

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese
TAISUN ENTERPRISE CO., LTD.
PARENT COMPANY ONLY BALANCE SHEET(Continued)
As of December 31, 2023 and December 31, 2022
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	As of December 31, 2023	As of December 31, 2022
Current liabilities			
Short-term borrowings	4, 6	$-	$759,490
Short-term notes payable	4	-	350,000
Notes payable	4	1,278	278
Accounts payable	4, 7	485,013	543,497
Other payables	7	267,047	840,121
Current tax liabilities	4, 5, 6	246,967	336,323
Long-term borrowings(including current portion)	4, 6	-	570,000
Other current liabilities - Others	6, 7	18,440	31,470
Total current liabilities		1,018,745	3,431,179
Non-current liabilities			
Deferred tax liabilities	4, 5, 6	222,537	222,537
Deposits received		4,301	4,217
Total non-current liabilities		226,838	226,754
Total liabilities		1,245,583	3,657,933
Equity	4, 6		
Common stock		4,999,990	4,999,990
Additional paid-in capital	6	1,014,497	1,006,742
Retained earnings			
Legal reserve		869,876	276,984
Special reserve		240,776	240,776
Unappropriated earnings		5,249,096	6,213,851
Total retained earnings		6,359,748	6,731,611
Other equity	4, 6	(91,700)	28,205
Treasury stock	4, 6	(203,876)	(203,876)
Total equity		12,078,659	12,562,672
Total liabilities and equity		$13,324,242	$16,220,605

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Tauwan Dollars, Except for Earnings per Share)

		For the Years Ended December 31	
	Notes	2023	2022
Operating revenues, net	4, 6, 7	$9,724,014	$9,615,949
Operating costs	6, 7	(8,761,369)	(8,728,603)
Gross profit		962,645	887,346
Unrealized profit from sales		(19,409)	(22,008)
Realized profit from sales		22,008	16,728
Gross profit, net		965,244	882,066
Operating expenses	4, 6		
Selling expenses		(756,689)	(754,588)
Administrative expenses		(360,847)	(620,768)
Expected credit losses	6	(408)	(7,000)
Total operating expenses		(1,117,944)	(1,382,356)
Operating losses, net		(152,700)	(500,290)
Non-operating income and expenses	4, 6		
Interest income		18,691	2,303
Other gains and losses		112,860	73,278
Finance costs		(20,631)	(26,583)
Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method		154,322	446,655
Gains on disposals of investments	4	-	6,210,880
Total non-operating income and expenses		265,242	6,706,533
Profit before tax		112,542	6,206,243
Income tax expense	4, 5, 6	(193,412)	(287,748)
Net income (loss)		(80,870)	5,918,495
Other comprehensive income	6		
Items that may not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans		(4,740)	26,099
Unrealized gains (losses) on equity insreuments measured at fair value through other comprehensive income		(99,790)	87,776
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method		(16,348)	5,529
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(5,092)	10,683
Other comprehensive income, net of tax		(125,970)	130,087
Total comprehensive income		$(206,840)	$6,048,582
Earnings (losses) per share:	6		
Basic earnings (losses) per share (NT$)		$(0.17)	$12.17
Diluted earnings (losses) per share (NT$)		$(0.17)	$11.96

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of the parent								
	Capital		Retained earnings			Other components of equity			
	Common Stock	Additional Paid-In Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized (Losses) Gains From Financial Assets at Fair Value Through Other Comprehensive Income	Treasury Stock	Total Equity
Balance as of January 1, 2022	$4,999,990	$993,134	$209,930	$240,776	$851,981	$(34,553)	$(71,400)	$(203,876)	$6,985,982
Appropriation and distribution of 2021 retained earnings:									
Legal reserve	-	-	67,054	-	(67,054)	-	-	-	-
Cash dividends	-	-	-	-	(499,999)	-	-	-	(499,999)
Adjustments of additional paid-in capital for the Company's cash dividends received by subsidiaries	-	13,608	-	-	-	-	-	-	13,608
Net income for the year ended December 31, 2022	-	-	-	-	5,918,495	-	-	-	5,918,572
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	33,285	10,683	86,119	-	130,052
Total comprehensive income	-	-	-	-	5,951,780	10,683	86,119	-	6,048,624
Proceeds from disposals of investments accounted for using equity method					(13,287)	14,499	13,287		14,499
Proceeds from disposals of equity instruments measured at fair value through other comprehensive income by the associates accounted for using the equity method					(9,570)		9,570		
Balance as of December 31, 2022	$4,999,990	$1,006,742	$276,984	$240,776	$6,213,851	$(9,371)	$37,576	$(203,876)	$12,562,672
Balance as of January 1, 2023	$4,999,990	$1,006,742	$276,984	$240,776	$6,213,851	$(9,371)	$37,576	$(203,876)	$12,562,672
Appropriation and distribution of 2022 retained earnings:									
Legal reserve	-	-	592,892	-	(592,892)	-	-	-	-
Cash dividends	-	-	-	-	(284,928)	-	-	-	(284,928)
Adjustments of additional paid-in capital for the Company's cash dividends received by subsidiaries	-	7,755	-	-	-	-	-	-	7,755
Net losses for the year ended December 31, 2023	-	-	-	-	(80,870)	-	-	-	(80,870)
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(6,065)	(5,092)	(114,813)	-	(125,970)
Total comprehensive income	-	-	-	-	(86,935)	(5,092)	(114,813)	-	(206,840)
Balance as of December 31, 2023	$4,999,990	$1,014,497	$869,876	$240,776	$5,249,096	$(14,463)	$(77,237)	$(203,876)	$12,078,659

(The accompanying notes are an integral part of the consolidated financial statements)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

TAISUN ENTERPRISE CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	For the Years Ended December 31,	
	2023	2022
Cash flows from operating activities:		
Net income before tax	$112,542	$6,206,243
Adjustments:		
Profit or loss not affecting cash flows:		
Depreciation	120,003	81,940
Amortization	412	1,211
Expected credit losses	408	7,000
Net losses (income) from financial asset and liabilities measured at fair value through profit or lo	(6,589)	8,134
Interest expenses	20,631	26,583
Interest income	(18,691)	(2,303)
Dividend revenue	(50,331)	(8,121)
Share of profit of associates and joint ventures accounted for using the equity method	(154,322)	(446,655)
Gains on disposals of property, plant and equipment	(111)	(42)
Gains on disposals of investments accounted for using the equity method	-	(6,210,880)
Unrealized profit from sales	19,409	22,008
Realized profit from sales	(22,008)	(16,728)
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily measured at fair value through profit or loss	-	(591)
Decrease in notes receivable	23,871	14,452
Increase in trade receivables	(11,734)	(26,528)
Decrease (increase) in trade receivables - related parties	17,792	(101,555)
Decrease (increase) in other receivables	1,298	(2,003)
Increase in other receivables - related parties	(295)	(720)
Decrease (increase) in inventories, net	232,754	(831,996)
(Increase) decrease in biological assets	(6,220)	2,470
(Increase) decrease in prepayments to suppliers	(263,114)	268,740
(Increase) decrease in other non-current assets	(84,745)	1,117
Increase in net defined benefit assets	(5,921)	(6,091)
Increase in notes payable	1,000	-
(Decrease) increase in accounts payable	(58,484)	44,531
(Decrease) increase in other payables	(573,074)	469,481
(Decrease) increase in other current liabilities	(17,230)	5,930
Cash used in operations	(722,749)	(494,373)
Interest received	18,691	2,303
Interest paid	(20,631)	(26,583)
Income tax paid	(289,556)	(42,254)
Net cash used in operating activities	(1,014,245)	(560,907)

	For the Years Ended December 31,	
	2023	2022
Cash flows from investing activities:		
Acquisition of financial assets measured at fair value through other comprehensive income	(5,053)	0
Increase in prepayments for investments	(3,595,800)	0
Proceeds from disposals of investments accounted for using the equity method	-	7,986,979
Acquisition of property, plant and equipment	(90,562)	(133,401)
Proceeds from disposals of property, plant and equipment	120	1,525
Decrease in other receivables from related parties	-	21,703
(Increase) decrease in other financial assets, non-current	(24,081)	5,105
Dividends received	94,331	291,762
Net cash generated from (used in) investing activities	(3,621,045)	8,173,673
Cash flows from financing activities:		
Increase in short-term borrowings	2,871,839	10,440,216
Decrease in short-term borrowings	(3,631,329)	(10,185,038)
Increase short-term notes and bills payable	-	2,035,000
Decrease in short-term notes and bills payable	(350,000)	(2,185,000)
Increase in long-term borrowings	-	-
Repayments of long-term borrowings	(570,000)	(480,000)
Increase (decrease) in deposits received	84	(2)
Cash dividends	(284,928)	(499,999)
Net cash used in financing activities	(1,964,334)	(874,823)
Net (decrease) increase in cash and cash equivalents	(6,599,624)	6,737,943
Cash and cash equivalents at the beginning of the period	8,006,443	1,268,500
Cash and cash equivalents at the end of the period	$1,406,819	$8,006,443

(The accompanying notes are an integral part of the consolidated financial statements)

TAISUN ENTERPRISE CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Taisun Enterprise Co., Ltd. ("the Company") was incorporated on October 21, 1960, with the approval from the Ministry of Economic Affairs and the Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) on November 11, 1989. The main activities of the Company include manufacturing and sale of cooking oil, food, beverages and fodder. The Company's registered office is located at No.6, Xinggong Rd., Tianzhong Township, Changhua County, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized for issue by the Company's board of directors (hereinafter "Board of Directors") on March 12, 2024.

3. Newly issued or revised standards and interpretations

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

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

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

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

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

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

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

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

C. Non-current Liabilities with Covenants – Amendments to IAS 1

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

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

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

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

(3)Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, but not yet adopted by the Company as of the end of the reporting period are listed below.

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

A. IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

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

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

B. IFRS 17 *Insurance Contracts*

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

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

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

C. Lack of Exchangeability – Amendments to IAS 21

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under (A), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of material accounting policies

(1)Statement of compliance

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

(2)Basis of preparation

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations. The profit or loss and other comprehensive income presented in the parent company only financial reports will be the same as the allocations of profit or loss and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. Therefore, the Company accounted for its investments in subsidiaries using the equity method and, accordingly, made necessary adjustments.

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

(3)Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

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

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

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

(4)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

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

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

(5)Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Company holds the asset primarily for the purpose of trading.
C. The Company expects to realize the asset within twelve months after the reporting period.
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle.
B. The Company holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7)Financial instruments

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

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

A. Recognition and Measurement of financial assets

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

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

(a) the Company's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(i) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(ii) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial assets measured at fair value through profit or loss

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

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

B. Impairment of financial assets

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

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

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

The loss allowance is measured as follows:

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

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

D. Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as of fair value through profit or loss.

(a) financial liability is classified as held for trading if:
(b) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(c) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(d) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(b) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

E. Offsetting of financial instruments

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

(8)Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(9)Fair value measurement

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

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

(10) Inventories

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

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

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

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

(11) Biological assets

Biological assets are measured at fair value less selling costs upon initial recognition and at each reporting date. Selling costs refer to the costs directly attributable to the disposal of the asset, excluding financial costs and income taxes.

Gains or losses arising from the initial recognition of biological assets, as well as subsequent gains or losses resulting from changes in fair value less selling costs, are recognized in profit or loss in the period in which they occur.

(12) Investments accounted for using the equity method

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

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

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

When the associate or joint venture issues new shares, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid-in capital and investments accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro-rata basis when the Company disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment.
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

According to Article 21 of the Regulations, the investments in subsidiaries will be disclosed under “investments accounted for using the equity method” and change in value will be adjusted to comply. The profit or loss and other comprehensive income presented in parent company only financial reports will be the same as the allocations of profit or loss and other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners’ equity presented in the parent company only financial reports will be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis. The difference of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under “investments accounted for using the equity method,” “share of profit of subsidiaries and associates accounted for using the equity method” and “share of other comprehensive income of subsidiaries and associates accounted for using the equity method.”

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings and facilities	1 to 56 years
Machinery and equipment	1 to 16 years
Transportation equipment	2 to 7 years
Other assets	1 to 16 years

Components of building that have different useful lives are main building structure, mechanical and electrical equipment and other equipment, which are depreciated over the useful lives of 26 to 56 years, 15 to 26 years and 3 to 13 years, respectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	10 to 50 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether the contract, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which is increasing the carrying amount to reflect interest on the lease liability by using an effective interest method; and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies information applied to the Company's intangible assets is as follows:

Types	Computer software
Useful lives	5 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life
Internally generated or acquired	Acquired

(17) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(19) Treasury shares

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(20) Revenue recognition

(1) Sales of goods

The Company manufactures edible oils, food, and beverages, which are then sold to distributors and channel partners. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. Control transfer of the product occurs when the product is delivered to the customer, the customer has the ability to determine the sales channel and price for the product, and there are no remaining unfulfilled obligations that could affect the customer's acceptance of the product. Delivery occurs when the product is transported to a specified location, at which point the risks of obsolescence, deterioration, and loss have transferred to the customer. Additionally, the customer has accepted the product in accordance with the sales contract, and acceptance terms have either lapsed or there is objective evidence that all acceptance criteria have been met.

The Company recognizes revenue measured at the fair value of the consideration received or receivable and offers quantity discounts to customers based on achieving certain cumulative sales volumes. The Company recognizes revenue based on the net amount of estimated quantity discounts subtracted from the contract price. The quantity discount amount is estimated using past cumulative experience and is recognized only to the extent that it is highly probable that a significant reversal will not occur. As of the reporting date, the anticipated amounts to be paid to customers due to quantity discounts are recognized as provisions. The credit period of the Company's sale of goods aligns with industry practices and no financing component is deemed present.

The Company sells oils and food products, and according to the contracts, is required to pay listing fees, shipping fees, and product display fees to customers based on the sales volume. As the payment of such consideration does not result in the transfer of distinct goods or services to the customer, it is treated as a reduction of the transaction price and revenue.

The Company recognizes trade receivables upon delivery of goods, as the Company's right to consideration is unconditional except for the passage of time.

(2) Customer Loyalty Programs

The Company's customer loyalty program involves granting customers loyalty award credits that entitle customers to discounted goods. The fair value of consideration received or receivable from original sales is allocated between the award credits and the other components of the sale transaction. The allocation to award credits is based on the estimated fair value of the right to purchase goods at a discounted price. This fair value estimate is based on the discounted amount and adjusted for the expected probability of redemption. The amounts allocated are initially deferred and recognized as revenue when the award credits are actually redeemed, and discounted goods are provided to fulfill the obligation. In this scenario, the revenue recognition amount is calculated based on the actual quantity redeemed relative to the total expected quantity to be redeemed. Additionally, when it is no longer expected that the award credits will likely be redeemed, the deferred revenue is recognized as revenue.

(3) Financing component

The Company expects the length of time between when the Company transfers the promised goods or services to the customer and when the customer pays for those goods or services to be no more than one year. Therefore, the Company does not adjust the transaction price for the time value of money.

(21) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(22) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Company's parent company only financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs or termination benefits costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transation, affects neither the accounting profit nor taxable profit or loss at the time of the transaction.
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss at the time of the transaction.

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(1) Loss allowance for trade receivables (current and non-current)

The loss allowance for trade receivables is primarily estimated based on assumptions related to default risk and expected credit loss rate. On each reporting date, the Company considers historical experience, current market conditions, and forward-looking estimates to determine the assumptions and inputs for the calculation of impairment. Please refer to Note 6 for details on the assumptions and inputs. The Company assesses the repayment status of the receivables, financial condition, operational performance, industry context, existence and value of collateral, etc., on each reporting date to determine the assumptions and judgment for the calculation of impairment.

(2) Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(3) Post-employment benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. Please refer to Note 6 for more details.

(4) Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

(5) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of	
	December 31, 2023	December 31, 2022
Cash on hand	$200	$200
Check deposits	1,354,215	8,006,243
Time deposits (Note)	52,404	-
Total	$1,406,819	$8,006,443

Note: Time deposits with contract period over three months were booked as other financial assets.

(2) Financial assets at fair value through profit or loss, current

	As of	
	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss, non-current:		
Listed on domestic companies stocks	$48,781	$49,042
Beneficiary certificate - open end funds	43,958	37,108
Total	$92,739	$86,150

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income, non-current

	As of	
	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income, non-current:		
Listed on domestic companies stocks	$1,384,594	$1,490,907
Unlisted on domestic companies stocks	12,731	1,155
Total	$1,397,325	$1,492,062

(a) The Company lost significant influence due to the disposal of a portion of its investments accounted for using the equity method on December 5, 2022. As a result, the remaining investment that has not yet been disposed was reclassified as a financial asset measured at fair value through other comprehensive income. Please refer to Note 6(6) for more details.

(b) Please refer to Note 12 for more details on credit risk.

(c) Please refer to Note 8 for more details on financial assets at fair value through other comprehensive income under pledge.

(4) Notes receivables and trade receivables (including related parties)

	As of	
	December 31, 2023	December 31, 2022
Notes receivables	$89,007	$112,878
Trade receivables	489,270	489,384
Debt collection	21,759	9,911
Less: loss allowance	(48,485)	(48,077)
Subtotal	551,551	564,096
Trade receivables -related parties	896,697	914,489
Total	$1,448,248	$1,478,585

(a) Notes receivable and trade receivables were not pledged.

(b) Trade receivables are generally on 30 to 90 day terms. The total carrying amounts as of December 31, 2023 and 2022 were NT$1,496,733 thousand and NT$1,526,662 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of trade receivables. Please refer to Note 12(4) for more details on credit risk management.

(5) Inventories

	As of	
	December 31, 2023	December 31, 2022
Raw materials	$543,409	$652,740
Supplies	26,091	21,374
Work in progress	215,355	379,058
Finished goods	456,114	420,551
Total	$1,240,969	$1,473,723

The cost of inventories recognized in expenses amounted to NT$8,760,162 thousand and NT$8,727,381 thousand for the years ended December 31, 2023 and 2022, respectively.

No inventories were pledged.

(6) Investments accounted for using the equity method

(1) The following table lists the investments accounted for using the equity method of the Company:

	As of			
	December 31, 2023		December 31, 2022	
Investees	Amount	Percentage of ownership (%)	Amount	Percentage of ownership (%)
Investment in subsidiaries				
Taisun (Cayman) Investment Ltd.	$361,522	100.00%	$306,969	100.00%
Pin-Tai Distribution Enterprise Co., Ltd.	260,633	99.93%	235,429	99.93%
Taiwan Nikomart Co., Ltd.	27,105	73.92%	24,352	73.92%
Taisun Yuan Co., Ltd.	21,850	100%	15,800	100%
Chuang Shin Traffic Co., Ltd.	8,360	13.26%	7,610	13.26%
Investments in associates				
Central Union Oil Corp.	314,127	33.33%	304,201	33.33%
Total	$993,597		$894,361	

(2) Investment in subsidiaries

Investments in subsidiaries are reported as “investments accounted for using the equity method” in parent company only financial statements.

(3) Investments in associates － Central Union Oil Corp.

The Company’s investment in Central Union Oil Corp. is not individually material. The aggregate carrying amount of the Company’s interests in Central Union Oil Corp. was NT$314,127 thousand and NT$304,201 thousand, as of December 31, 2023 and 2022, respectively. The aggregate financial information of the Company’s investment in Central Union Oil Corp. is as follows:

	For the years ended December 31,	
	2023	2022
Net income from continuing operations	$53,548	$57,233
Other comprehensive income (post-tax)	252	509
Total comprehensive income	$53,800	$57,742

The associates had no contingent liabilities or capital commitments as of December 31, 2023 and 2022. Please refer to Note 8 for more details on pledge for borrowings.

(4) Investments in associates － Taiwan FamilyMart Co., Ltd. (“FamilyMart”)

The Company originally held 22.46% of the shares in FamilyMart, and recognized and measured it as an "investment accounted for using the equity method." However, after the Company lost significant influence over FamilyMart after disposing of part of its owneship on December 5, 2022. The remaining shareholdings were reclassified as "financial assets measured at fair value through other comprehensive income, non-current". Therefore, on the day of the above-mentioned disposal, the Company’s "investments accounted for using the equity method" included no balance of FamilyMart. The details of the aforementioned disposal transaction is as follows:

On December 2, 2022, the Board of Directors resolved to dispose of part of the shares in FamilyMart. The Company sold 43,300 thousand shares on December 5, 2022, with a net disposal proceeds in the amount of NT$7,986,979 thousand. After deducting the carrying amount of NT$2,648,969 thousand on the date of disposal and the accumulated exchange differences on translation of foreign financial statements in the amount of NT$12,521 thousand, the Company recognized gains on disposals of investments in the amount of NT$5,325,489 thousand. As a result, the Company’s shareholding in FamilyMart decreased from 22.46% to 3.06%. As the Company lost significant influence over FamilyMart, it remeasured the remaining 3.06% shareholding at the time of the disposal. The fair value as of December 5, 2022 in the amount of NT$1,305,756 thousand was then reclassified to financial assets measured at fair value through other comprehensive income, non-current. After the amount was carried forward and deducting the ending carrying amount of the remaining unsold shares in the amount of NT$418,387 thousand and the accumulated exchange differences on translation of foreign financial statements in the amount of NT$1,978 thousand, the transferred gains on disposals of investments in the amount of NT$885,391 thousand were recognized. The total gains on disposals of investments for the year ended December 31, 2022 amounted to NT$6,210,880 thousand. In addition, as a result of the disposal transaction, the Company also reclassified the accumulated unrealized losses on financial assets measured at fair value through other comprehensive income of FamilyMart that were previously recognized using the equity method in the amount of NT$13,287 thousand to undistributed earnings for the year ended December 31, 2022.

Because the Company recognized and measured the accounts from FamilyMart as "investments accounted for using the equity method" from January 1, 2022 to December 5, 2022, the change in its amounts during the year was reflected below.

	From January 1, 2022 to December 5, 2022
Share of the net assets of associates at the beginning of the period	$1,423,660
Dividends received from associates for the current period	275,321
Total comprehensive income attributable to the Company for the current period	(235,641)
Share of the net assets of associates at the end of the period	1,463,340
Add: Investment property	19,921
Add: Trademark	129,205
Add: Goodwill	1,454,890
Carrying amount of the Company’s interests in associates	$3,067,356
Carrying amount allocated to shares disposed of	$2,648,969
Carrying amount allocated to the financial assets transferred	418,387
Carrying amount of the Company’s interests in associates	$3,067,356

7. Property, plant and equipment

	For the years ended December 31,	
	2023	2022
Owner occupied property, plant and equipment	$1,705,771	$1,731,135

	Land	Buildings	Machinery and equipment	Transportation equipment	Others	Construction in progress and equipment awaiting examination	Total
Cost:							
As of January 1, 2023	$1,048,637	$760,008	$999,001	$40,314	$162,308	$62,990	$3,073,258
Additions	-	671	924	130	36,729	52,108	90,562
Disposals	-	(726)	(7,854)	(2,550)	(59)	-	(11,189)
Transfers	-	18,937	63,408	3,046	2,542	(87,933)	-
As of December 31, 2023	$1,048,637	$778,890	$1,055,479	$40,940	$201,520	$27,165	$3,152,631
As of January 1, 2022	$1,023,027	$756,330	$831,814	$41,207	$105,988	$234,028	$2,992,394
Additions	25,610	2,028	2,736	-	37,510	65,517	133,401
Disposals	-	-	(51,644)	(893)	-	-	(52,537)
Transfers	-	1,650	216,095	-	18,810	(236,555)	-
As of December 31, 2022	$1,048,637	$760,008	$999,001	$40,314	$162,308	$62,990	$3,073,258
Depreciation and impairment:							
As of January 1, 2023	$-	$587,507	$631,059	$33,978	$89,579	$-	$1,342,123
Depreciation	-	23,419	67,953	2,766	21,779	-	115,917
Disposals	-	(726)	(7,854)	(2,550)	(50)	-	(11,180)
As of December 31, 2023	$-	$610,200	$691,158	$34,194	$111,308	$-	$1,446,860
As of January 1, 2022	$-	$565,538	$637,201	$30,828	$81,445	$-	$1,315,012
Depreciation	-	21,969	44,022	4,040	8,134	-	78,165
Disposals	-	-	(50,164)	(890)	-	-	(51,054)
As of December 31, 2022	$-	$587,507	$631,059	$33,978	$89,579	$-	$1,342,123
Net carrying amounts:							
As of December 31, 2023	$1,048,637	$168,690	$364,321	$6,746	$90,212	$27,165	$1,705,771
As of December 31, 2022	$1,048,637	$172,501	$367,942	$6,336	$72,729	$62,990	$1,731,135

(1) Due to legal restrictions prohibiting private juristic persons from assuming ownership of arable lands, the ownership of the 14 pieces of arable lands with a total value of NT$46,728 thousand that are located at Nos. 185 and 186 in Daxin Section of Beidou Township, Changhua County., was transferred to natural persons. The Company maintains the original land ownership certificate as a means of security.

(2) Components of building that have different useful lives are main building structure, mechanical and electrical equipment and other equipment, which are depreciated over their respective useful lives.

(3) No property, plant and equipment were pledged.

(8)Investment property

(1) The Company's investment properties include owned investment properties. The Company has entered into commercial property leases on its owned investment properties with terms between 1 and 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Some of these contracts provide the Company options to extend the leases.

(2) Information on investment properties held by the Company is as follows:

	Land	Buildings	Total
Cost:			
As of January 1, 2023	$501,302	$129,581	$630,883
Additions	-	-	-
As of December 31, 2023	$501,302	$129,581	$630,883
Depreciation and impairment:			
As of January 1, 2023	$-	$96,045	$96,045
Depreciations	-	1,208	1,208
As of December 31, 2023	$-	$97,253	$97,253
Cost:			
As of January 1, 2022	$501,302	$129,581	$630,883
Additions	-	-	-
As of December 31, 2022	$501,302	$129,581	$630,883
Depreciation and impairment:			
As of January 1, 2022	$-	$94,824	$94,824
Depreciations	-	1,221	1,221
As of December 31, 2022	$-	$96,045	$96,045
Net carrying amounts:			
As of December 31, 2023	$501,302	$32,328	$533,630
As of December 31, 2022	$501,302	$33,536	$534,838

No investment property was pledged.

The Company's investment properties include several commercial properties leased out to third parties. The renewal periods of each lease agreement are negotiated with the tenants, and no contingent rental income has been collected.

Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties was NT$1,351,690 thousand and NT$958,341 thousand, as of December 31, 2023 and 2022, respectively. The fair values as of the respective financial reporting date were determined using the comparative approach, referencing information from the website of Department of Land Administration, Ministry of Interior, and estate agency's website.

(9) Prepayments for investments

	As of	
	December 31, 2023	December 31, 2022
Prepayment for investments	$3,600,000	$-

The 22nd Board of Directors held the 12th meeting on May 5, 2023 which had been rescheduled from April 20, 2023 to discuss the equity investment in JKO FinTech Co., Ltd. The proposal included a subscription to approximately NT$2.2 billion of common stocks of JKO FinTech Co., Ltd. through a capital injection at around NT$24.63 per share (referred to as the "NT$2.2 Billion Cash Injection"). Additionally, the proposal involved acquiring shares of JKO FinTech Co., Ltd., amounting to approximately NT$1.4 billion, held by Dorian Innovation Limited (Dorian) at around NT$24.63 per share. The total shares involved in the transaction amounted to 146,166 thousand shares, with a total transaction amount of NT$3.6 billion. The proposal was approved by four directors, while three directors declined to participate in the meeting held on May 5, 2023. Following this, on May 6, 2023, the Company entered into an agreement with JKO FinTech Co., Ltd. and Dorian Innovation Limited (Dorian), and on May 8, 2023, the Company paid the full transaction amount of NT$3.6 billion to JKO FinTech Co., Ltd. (including the amount due to Dorian as per the agreement).

On May 15, 2023, the Company received a preliminary injunction filed by Everwin Investment Co., Ltd. to the Intellectual Property and Commercial Court, which prohibited the Company from executing the aforementioned equity investment and investment in a bottled water plant. Subsequently, on May 22, 2023, the Company received a ruling from the Intellectual Property and Commercial Court granting the preliminary injunction filed by Everwin Investment Co., Ltd., prohibiting the Company from executing the equity investment in JKO FinTech Co., Ltd. and the investment in the bottled water plant that were approved by the Board of Directors on May 5, 2023, until the final ruling of the litigation. Everwin Investment Co., Ltd., in order to sustain the efficacy of the previously established interim disposition, has initiated legal proceedings within the statutory period to challenge the validity of the board resolution pertaining to the equity investment in JKO FinTech Co., Ltd. The case is currently under examination in the Commercial Court."

Due to the legal action brought up by shareholders contesting the validity of the NT$3.6 billion equity investment case in JKO Fintech Co., Ltd., and they claimed the person representing the Company in signing the agreement acted without gaining the legal and valid authority to do so. Therefore, no parties shall perform the invalid agreement and they shall be obligated to restore the original state. In July 2023, the Company sent a letter to JKO Fintech Co., Ltd. requiring the return of the transaction price in the amount of NT$3.6 billion, but did not receive a response. On August 30, 2023, the Company filed an action with the Taiwan Taipei District Court against JKO Fintech Co., Ltd. to request payment return. The case is pending at the Taiwan Taipei District Court.

In addition to the foregoing, there are concerns regarding the legality and efficacy of the 12th meeting of the 22nd Board of Directors of the Company, aside from doubts about its enforceability. Pursuant to the agreement between the parties, each counterparty is obligated to deliver shares to the Company as a presentation of the acquisition of equity. However, as of the reporting date, neither JKO FinTech Co., Ltd. nor Dorian Company has fulfilled their obligation to deliver shares to the Company in accordance with said agreement. Furthermore, On October 27, 2023, the Industrial Development Administration of Ministry of Economic Affairs rejected the application of new share issue for cash injection and articles of incorporation amendment to change the registered capital by JKO FinTech Co., Ltd. (NT$2.2 billion cash injection). Therefore, the Company booked NT$3.6 billion that was remitted outward previously as prepayment for investment.

The Company intends to recover the future economic benefits related to this prepayment for investment of NT$3.5958 billion (the balance of NT$3.6 billion after deducting the unpaid securities transaction tax in the amount of NT$4.2 million withheld by the Company) from JKO Fintech Co., Ltd. and Dorian Innovation Limited through filing a legal action. However, the obligatory rights need to be determined by a court judgment. Therefore, upon obtaining a court judgment confirming the receivables in the future, the Company will reclassify the relevant accounting items (such as prepaid investment) as other receivables. Additionally, according to IFRS 9 *Financial instruments*, the credit risk assessment and measurement of the receivables that have not been collected as of the balance sheet date will be performed based on the lifetime expected credit risk. On the contrary, if the aforementioned action contesting the validity of the Board's resolution of investing in JKO Fintech Co., Ltd. is unsuccessful, or if the Company's claim against JKO Fintech Co., Ltd. for the return of the investment funds is unsuccessful and when the Company acquires the shares of the underlying transaction, the payments made by the Company will no longer be deemed prepayments. Instead, they will be recognized and measured as appropriate at the time when the investors acquire the equity of the investee according to the relevant Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (such as determining whether it constitutes a business combination, associates, or be treated in accordance with IFRS 9 *Financial Instruments*. However, the selection and adoption of the abovementioned standards will depend on the Company's then shareholding ratio in JKO Fintech Co., Ltd. and the accompanying economic circumstances and legal conditions.

(10) Short-term borrowings

	As of	
	December 31, 2023	December 31, 2022
Letter of credit borrowings	$-	$409,490
Unsecured bank loans	-	350,000
Total	$-	$759,490
Interest rates (%)	-%	1.68%~6.13%

The Company's unused short-term lines of credits amounted to NT$950,000 thousand and NT$2,448,478 thousand as of December 31, 2023 and 2022, respectively.

(11)Short-term notes payable

	As of	
	December 31, 2023	December 31, 2022
Commercial paper payable	$-	$350,000
Interest rates	-%	1.988%~2%

No assets were not pledged as security for short-term notes payable.

(12)Long-term borrowings

A. Details of long-term loans as of December 31, 2023: None.

B. Details of long-term loans as of December 31, 2022 are as follows:

Nature of Borrowings	As of December 31, 2022	Interest Rate (%)
Secured bank loans	$570,000	1.51%~2.25%
Less: current portion	(570,000)	
Total	$-	

(a) The Company's unused long-term lines of credits amounted to NT$0 thousand and NT$1,030,000 thousand, as of December 31, 2023 and 2022, respectively.
(b) Please refer to Note 8 for more details on pledge for long-term borrowings as of the reporting date.

(13)Post-employment benefits

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company would make monthly contributions to the employees' individual pension accounts at the amounts not less than 6% of the employees' monthly wages. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$18,320 thousand and NT$16,066 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries for the six months before retirement. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 5% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under a mandat, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$4,328 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The weighted average duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 10.18 years and 9.18 years, respectively.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31,	
	2023	2022
Current period service cost	$560	$1,075
Net interest on net defined benefit liabilities (assets)	(780)	(99)
Total	$(220)	$976

Reconciliations in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Present value of defined benefit obligation	$35,983	$147,033	$186,320
Plan assets at fair value	(86,274)	(196,143)	(203,241)
Net defined benefit assets, non-current	$(50,291)	$(49,110)	$(16,921)

Reconciliation of liabilities (assets) of the defined benefit plan is as follows:

	Present value of defined benefits obligation	Fair value of plan assets	Net defined benefit liabilities (assets), non-current
As of January 1, 2022	$186,320	$(203,241)	$(16,921)
Current period service cost	1,075	-	1,075
Interest expenses (income)	922	(1,021)	(99)
Subtotal	188,317	(204,262)	(15,945)
Remeasurements of net defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(12,048)	-	(12,048)
Experience adjustments	2,462	-	2,462
Return on plan assets	-	(16,513)	(16,513)
Subtotal	(9,586)	(16,513)	(26,099)
Benefits paid	(31,698)	30,501	(1,197)
Contributions by employer	-	(5,869)	(5,869)
As of December 31, 2022	$147,033	$(196,143)	$(49,110)
Current period service cost	560	-	560
Interest expenses (income)	2,184	(2,964)	(780)
Subtotal	149,777	(199,107)	(49,330)

	Present value of defined benefits obligation	Fair value of plan assets	Net defined benefit liabilities (assets), non-current
Remeasurements of defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(357)	-	(357)
Experience adjustments	5,400	-	5,400
Return on plan assets	-	(303)	(303)
Subtotal	5,043	(303)	4,740
Benefits paid	(118,837)	117,548	(1,289)
Contributions by employer	-	(4,412)	(4,412)
As of December 31, 2023	$35,983	$(86,274)	$(50,291)

The following significant actuarial assumptions are used in determining the Company's defined benefit plan:

	As of	
	December 31, 2023	December 31, 2022
Discount rate	1.625%	1.500%
Expected rate of salary increases	1.000%	1.000%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	$-	$698	$-	$2,802
Discount rate decrease by 0.25%	718	-	2,883	-
Future salary increase by 0.25%	703	-	2,820	-
Future salary decrease by 0.25%	-	686	-	2,754

The sensitivity analysis above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(14)Equity

A. Common stock

The Company's authorize capital as of December 31, 2023 and 2022, were NT$10,000,000 thousand, each at a par value of NT$10. Each share has one voting right and a right to receive dividends. The Company has issued 499,999 thousand common stocks amounting to NT$4,999,990 thousand as of December 31, 2023 and 2022, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

B. Addition Paid-in Capital

	As of	
	December 31, 2023	December 31, 2022
Treasury share transactions	$79,251	$71,496
Common stock premium	915,977	915,977
Common stock premium - Employee stock options	4,132	4,132
Expired employee stock options	1,561	1,561
Difference between consideration given/ received and carrying amount of interests in subsidiaries acquired/disposed of by an associate accounted for using the equity method	17	17
Others	13,559	13,559
Total	$1,014,497	$1,006,742

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Treasury stock

As of December 31, 2023 and 2022, the Company's shares held by the subsidiaries were NT$203,876 thousand, and the number of the Company's shares held by the subsidiaries was 13,679 thousand. These shares held by the subsidiaries were purchased in the open market for the purpose of investment before the Company Act was amended at the end of 2001. The shares held by the subsidiaries are treated as treasury stocks. The status on the Company's shares held by the subsidiaries are as follows:

	Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd.	Chuang Shin Traffic Co., Ltd.	Subtotal
Number of shares:				
As of January 1, 2023	10,351	2,960	368	13,679
Additions	-	-	-	-
Disposals	-	-	-	-
As of December 31, 2023	10,351	2,960	368	13,679
As of January 1, 2022	10,351	2,960	368	13,679
Additions	-	-	-	-
Disposals	-	-	-	-
As of December 31, 2022	10,351	2,960	368	13,679
Net carrying amount:				
As of January 1, 2023	$154,637	$44,880	$4,359	$203,876
Additions	-	-	-	-
Disposals	-	-	-	-
As of December 31, 2023	$154,637	$44,880	$4,359	$203,876
As of January 1, 2022	$154,637	$44,880	$4,359	$203,876
Additions	-	-	-	-
Disposals	-	-	-	-
As of December 31, 2022	$154,637	$44,880	$4,359	$203,876

As of December 31, 2023 and 2022, the market price of the Company's shares was NT$22.5 and NT$32.55, respectively.

D. Retained earnings and dividend policies

A. The Company's current industry development is mature, with stable profitability. However, considering significant capacity expansion and vertical development plans in the coming years, the appropriation of earnings shall be conducted at the end of each quarter. In the case of dividend distribution in cash, the Board of Directors shall decide, in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act, and report to the shareholders' meeting, without submission to the shareholders' meeting for approval. At each quarter end, if there are profits, they shall estimate and retain the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply. It may be allocated or reversed based on the company's operational needs and legal provisions, and after any special reserve allocation or reversal. If there are profits, they shall be added to the accumulated undistributed earnings at the beginning period, and the distribution shall be proposed and resolved by the Board of Directors. The proportion of cash dividends distributed shall not be less than 30% of the total dividend distribution amount.

In the case where the dividend per share is below NT$0.1, the Board of Directors may retain the profit without distributing dividend.

B. According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

C. According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

D. On March 31, 2021, the FSC issued Order No. Jin-Guan-Zheng-Fa-Zi-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the Company set aside special reserve in the amount of NT$240,776 thousand. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

E. Details of the 2023 and 2022 earnings distribution and dividends per share as proposed and resolved by the board of directors' meeting and shareholders' meeting on March 12, 2024 and June 30, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$-	$592,892	$-	$-
Common stock - cash dividend	-	284,928	-	0.57

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

(15)Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Consumer food products	$5,960,121	$5,633,357
Commodities and animal feed	3,750,242	3,969,706
Other revenue		
Rental revenue from investment properties	13,651	12,886
Total	$9,724,014	$9,615,949

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 are as follows:

Disaggregation of revenue

For the year ended December 31, 2023

	Consumption Division	Commodity Division	Other	Total
Sales of goods	$5,960,121	$-	$-	$5,960,121
Commodities and animal feed	-	3,750,242	-	3,750,242
Rental revenue	-	-	13,651	13,651
Total	$5,960,121	$3,750,242	$13,651	$9,724,014
Timing of revenue recognition:				
At a point in time	$5,960,121	$3,750,242	$-	$9,710,363
Over time	-	-	13,651	13,651
Total	$5,960,121	$3,750,242	$13,651	$9,724,014

For the year ended December 31, 2022

	Consumption Division	Commodity Division	Other	Total
Sales of goods	$5,633,357	$-	$-	$5,633,357
Commodities and animal feed	-	3,969,706	-	3,969,706
Rental revenue	-	-	12,886	12,886
Total	$5,633,357	$3,969,706	$12,886	$9,615,949
Timing of revenue recognition:				
At a point in time	$5,633,357	$3,969,706	$-	$9,603,063
Over time	-	-	12,886	12,886
Total	$5,633,357	$3,969,706	$12,886	$9,615,949

(16)Expected credit losses

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses		
Notes receivables and trade receivables (including related parties)	$408	$7,000

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its notes receivables and trade receivables (including related parties) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2023 and 2022 is as follows:

The Company considers the grouping of trade receivables by the counterparties' credit rating, geographical region and industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2023

Group 1: Consumer food products and commodities		Overdue					
	Not yet due (Note)	0-90 days	91-180 days	181-270 days	270-360 days	> =365 days	Total
Gross carrying amount	$1,326,257	$55,839	$13,312	$11,195	$-	$21,759	$1,428,362
Loss rate	0-1.75%	0-1.75%	0-1.75%	0.45-7.80%	11.45%	100%	
Lifetime expected credit losses	(23,170)	(976)	(233)	(870)	-	(21,759)	(47,008)
Subtotal	$1,303,087	$54,863	$13,079	$10,325	$-	$-	$1,381,354

Group 2: Animal feed		Overdue					
	Not yet due (Note)	0-90 days	91-180 days	181-270 days	270-360 days	> =365 days	Total
Gross carrying amount	$64,167	$3,546	$546	$112	$-	$-	$68,371
Loss rate	1.57-1.90%	4.02-4.85%	11.60-13.99%	11.73-14.13%	26.45%	100%	
Lifetime expected credit losses	(1,213)	(172)	(76)	(16)	-	-	(1,477)
Subtotal	$62,954	$3,374	$470	$96	$-	$-	$66,894

As of December 31, 2022

Group 1: Consumer food products and commodities		Overdue					
	Not yet due (Note)	0-90 days	91-180 days	181-270 days	270-360 days	> =365 days	Total
Gross carrying amount	$1,390,955	$36,954	$-	$4	$-	$-	$1,427,913
Loss rate	0~2.16%	0~0.01%	0~1.17%	5%	10%	100%	
Lifetime expected credit losses	(29,991)	(4)	-	-	-	-	(29,995)
Subtotal	$1,360,964	$36,950	$-	$4	$-	$-	$1,397,918

Group 2: Animal feed		Overdue					
	Not yet due (Note)	0-90 days	91-180 days	181-270 days	270-360 days	> =365 days	Total
Gross carrying amount	$73,464	$6,294	$9,080	$-	$-	$9,911	$98,749
Loss rate	0.12%	2.57%	10.15~87.2 5%	10.28%	25%	100%	
Lifetime expected credit losses	(88)	(161)	(7,922)	-	-	(9,911)	(18,082)
Subtotal	$73,376	$6,133	$1,158	$-	$-	$-	$80,667

The movement in the provision for impairment of notes receivables and trade receivables (including related parties) for the years ended December 31, 2023 and 2022, is as follows:

	Notes receivable and trade receivables
As of January 1, 2023	$48,077
Addition for the current period	408
As of December 31, 2023	$48,485
As of January 1, 2022	$41,077
Addition for the current period	7,000
As of December 31, 2022	$48,077

(17)Leases

The Company as a lessor

Please refer to Note 6 (8) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments	$13,651	$12,886

For operating leases entered into the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2023 and 2022 are as follows:

	As of	
	December 31, 2023	December 31, 2022
Not later than one year	$13,186	$8,634
Later than one year but not later than two years	8,504	5,069
Later than two years but not later than three years	6,325	4,611
Later than three years but not later than four years	659	4,213
Later than four years but not later than five years	220	-
Total undiscounted lease payments	$28,894	$22,527

The Company's rent income arising from investment property amounted to NT$13,651 thousand and NT$12,886 thousand for the years ended December 31, 2023 and 2022, respectively.

(18)Summary statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2023 and 2022 :

By nature / By function	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$178,043	$170,162	$348,205	$275,944	$405,095	$681,039
Labor and health insurance	25,183	20,866	46,049	21,285	17,299	38,584
Pension	9,728	8,372	18,100	8,889	8,153	17,042
Remuneration to directors	-	6,942	6,942	-	207,420	207,420
Other employee benefits expense (Note)	15,081	10,437	25,518	14,246	10,359	24,605
Depreciation	99,035	20,968	120,003	73,620	8,320	81,940
Amortization	-	412	412	-	1,211	1,211

Note: Other employee benefits expenses include employee benefit, and meal allowances.

Additional information on number of employees and employee benefits expense for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,	
	2023	2022
Number of employees	571	558
Number of directors who are not employees	9	9
Average employee benefits expense	779	1,387
Average salaries	620	1,241
Adjustments for average salaries (Note)	-50%	-
Remuneration to supervisors	$-	$-

Note:The Company’s average salaries for the year ended December 31, 2023 decreased compared with that for the year ended December 31, 2022. This was mainly due to the decline in overall profits for the current year and the decrease in employee compensation and bonuses. As a result, the average salaries for the year ended December 31, 2023 decreased compared with that for the year ended December 31, 2022.

The information of the Company's remuneration policy (including directors, managers and employees) is as follows:

(1) The Company's remuneration to directors is determined in accordance with Article 19 of the Articles of Incorporation of the Company. The remuneration to chairmen and directors when they perform their duties is authorized to the Board of Directors to be determined with reference to the recommendations of the remuneration committee of the Company and based on the extent of individual participation and contribution to the Company's operations, the value of their contributions and the general level in the industry. In addition, if the Company makes a profit for the current year, no higher than 5% of the profit of the current year is distributable as the remuneration to directors in accordance with the Articles of Incorporation of the Company. The actual contribution rate is reviewed by the remuneration committee based on the operating performance and make recommendations before sending them to the Board of Directors for resolution. As for independent directors, the Board of Directors will determine their monthly fixed remuneration. Indipendent directors receive attendance fees for each board meeting and are not entitled to the distribution of remuneration when the Company makes profits.

(2) The remuneration to general manager, deputy general manager and managers with equivalent positions includes salary and bonus. The salary references the general salary level in the industry and factors such as professional titles, ranks, academic (experience), professional abilities and responsibilities. The bonus is approved to allocate based on manager performance evaluation, which includes financial indicators (such as the sales revenue, the achievemrnet rates of net profit before and after tax) and non-financial indicators (such as major finding in compliance and operational risk matters of the departments under its charge), and the contribution to the Company's overall operations will be assessed and proposed to the remuneration committee for review.

(3) The employee compensation policy is determined based on the individual's ability, contribution to the company, performance, the market value of the position held, and the Company's future operating risks. It is positively related to operating performance and no distinction is made based on age, gender, race, religion, political affiliation, marital status, or union affiliation. If the Company makes profits for the current year, no less than 2% of profit is distributable as employee compensation in accordance with the Company's Articles of Incorporation. Employees who have served for two years can apply to join the employee stock ownership trust. The overall salary package for employees mainly consists of three parts: basic fixed salary, bonuses and benefits. As for the standard of payment, the basic fixed salary is determined based on the market level of the position held by the employees, while bonuses are determined according to the achievement of each employee and department goals and the Company's operating performance, and annual accomplishment award is given to outstanding teams or individuals with excellent performance. The benefits are designed for employees in accordance with relevant laws and regulations so that they can enjoy such benefits while taking into account the needs of employees.

According to the Articles of Incorporation, 2% of profit of the current year is distributable as employees' compensation and no higher than 5% of profit of the current year is distributable as remuneration to directors. However, the Company's accumulated losses shall have been covered first. The Company may have the profit distributable as employees' compensation to employees of parents or subsidiaries of the company meeting certain specific requirements.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. If the Board of Directors resolved to distribute employees' compensation in the form of stocks, then the number of stocks distributed as employees' compensation was calculated based on the closing price one day earlier than the date of resolution. Differences between the estimated amount and the actual distribution of the employees' compensation and remuneration to directors and supervisors are recognized in profit or loss of the subsequent year. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the Taiwan Security Exchange.

Based on the profit for the year ended December 31, 2023, the Company estimated the employees' compensation and remuneration to directors for the year ended December 31, 2023 to be NT$2,305 thousand and NT$0 thousand, respectively, and recognized as salaries.

A resolution was passed at a Board of Directors meeting held on May 5, 2023 to distribute NT$267,000 thousand and NT$200,000 thousand as employees' compensation and remuneration to directors of 2022, respectively. No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors for the year ended December 31, 2022.

No material differences existed between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

(19)Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Interest on bank deposits	$18,643	$1,833
Other interest income	48	470
Total	$18,691	$2,303

B. Other gains and losses

	For the years ended December 31,	
	2023	2022
Dividend income	$50,331	$8,121
Gains (losses) on financial assets at fair value through profit or loss	6,589	(8,134)
Gains on disposal of property, plant and equipment	111	42
Foreign exchange (losses) gains, net	(3,654)	28,134
Others	59,483	45,115
Total	$112,860	$73,278

C. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	$20,631	$26,583

D. Gains on disposal of investments

	For the years ended December 31,	
	2023	2022
Gains on disposal of investments accounted for using the equity method	$-	$6,210,880

(20)Components of other comprehensive income

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Others comprehensive income	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(4,740)	$-	$(4,740)	$-	$(4,740)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	(99,790)	-	(99,790)	-	(99,790)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(16,348)	-	(16,348)	-	(16,348)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	(5,092)	-	(5,092)	-	$(5,092)
Total	$(125,970)	$-	$(125,970)	$-	$(125,970)

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Others comprehensive income	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$26,099	$-	$26,099	$-	$26,099
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	87,776	-	87,776	-	87,776
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	5,529	-	5,529	-	5,529
To be reclassified to profit or loss in subsequent periods:					
Exchange differences on translation of foreign operations	10,683	-	10,683	-	10,683
Total	$130,087	$-	$130,087	$-	$130,087

(21)Income tax

The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

A. Income tax recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$248,483	$350,582
Adjustments in respect of current income tax of prior periods	(48,283)	(32,402)
Deferred tax income	(6,788)	(30,432)
Total income tax expense	$193,412	$287,748

B. A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022
Profit (loss) before tax from continuing operations	$112,542	$6,206,243
Tax at the domestic rates applicable to profits in the country concerned	$22,508	$1,241,249
Tax effect of revenues exempt from taxation	(42,406)	(1,331,504)
Tax effect of expenses not deductible for tax purposes	4,287	474
Tax effect of deferred tax assets/liabilities	7,304	2,229
Undistributed surplus for income tax	248,484	5,174
Adjustments in respect of current income tax of prior periods	(48,283)	(32,402)
Other income tax effects adjusted in accordance with the tax laws and regulations	1,518	402,528
Total income tax expense recognized in profit or loss	$193,412	$287,748

C. Deferred tax assets (liabilities) relate to the following:

(1) For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Unrealized exchange losses	$-	$1,021	$-	$1,021
Unrealized inventory valuation losses	1,964	2,635	-	4,599
Unrealized gross losses from sales	750	3,132	-	3,882
Unused tax losses	30,432	-	-	30,432
Land value increment tax	(222,537)	-	-	(222,537)
Deferred tax income		$6,788	$-	
Net deferred tax assets (liabilities)	$(189,391)			$(182,603)
Reflected in balance sheet as follows:				
Deferred tax assets	$33,146			$39,934
Deferred tax liabilities	$(222,537)			$(222,537)

(2) For the year ended December 31, 2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending Balance
Temporary differences				
Unrealized exchange losses	$-	$-	$-	$-
Unrealized inventory valuation losses	1,964	-	-	1,964
Unrealized gross losses from sales	750	-	-	750
Unused tax losses	-	30,432	-	30,432
Land value increment tax	(222,537)	-	-	(222,537)
Deferred tax income (expense)		$30,432	$-	
Net deferred tax assets (liabilities)	$(219,823)			$(189,391)
Reflected in balance sheet as follows:				
Deferred tax assets	$2,714			$33,146
Deferred tax liabilities	$(222,537)			$(222,537)

(3) Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets temporary differences not recognised as amounted to NT$209,116 thousand, and NT$97,960 thousand, respectively.

(4) The assessment of income tax return

As of December 31, 2023, the income tax returns of the Company have been assessed and approved up to 2021.

(22)Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
Basic (losses) earnings per share		
Net (losses) income	$(80,870)	$5,918,495
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	499,999	499,999
Less: number of treasury shares	13,606	13,606
Weighted average number of ordinary shares outstanding after adjustment	486,393	486,393
Basic (losses) earnings per share (NT$)	$(0.17)	$12.17

	For the years ended December 31,	
	2023	2022
Diluted earnings per share		
(Loss) profit attributable to ordinary equity holders of the Company	$(80,870)	$5,918,495
(After adjusting for the effect of dilutive potential ordinary share)		
Weighted average number of ordinary shares outstanding after adjustment	486,393	486,393
Employee compensation	-	8,485
Weighted average number of ordinary shares outstanding after dilution (in thousands)	486,393	494,878
(After adjusting for the effect of dilutive potential ordinary share)		
Diluted earnings per share (NT$)	$(0.17)	$11.96

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

1. Name and nature of relationship of the related parties

Name of the related parties	Relationships with the Company
Long Bon International Co., Ltd.	Parent company of the Company
Pin-Tai Distribution Enterprise Co., Ltd.	Subsidiary of the Company
Taiwan Nikomart Co., Ltd.	Subsidiary of the Company
Chuang Shin Traffic Co., Ltd.	Subsidiary of the Company
Taisun Yuan Co., Ltd.	Subsidiary of the Company
Taisun (Cayman) Investment Ltd.	Subsidiary of the Company
Taisun Enterprise (Zhang Zhou) Foods Ltd.	Subsidiary of the Company
Central Union Oil Corp.	Investee company (associate) accounted for under the equity method
Taiwan Familymart Co., Ltd.	Substantive related party (other related party)
Family International Gourmet Co., Ltd.	Substantive related party (other related party)
Taiwan Distribution Center Co., Ltd.	Substantive related party (other related party)
Re-Yi Distribution Service Co., Ltd.	Substantive related party (other related party)

2. Significant transactions with the related parties

A. Sales

	For the years ended December 31,	
	2023	2022
Central Union Oil Corp.	$2,921,364	$2,904,790
Pin-Tai Distribution Enterprise Co., Ltd.	2,301,399	2,093,274
Others	37,686	34,227
Total	$5,260,449	$5,032,291

The sales channels for beverages and oil products are mainly through the welfare headquarters, various welfare stations and related parties. Sales to the welfare headquarters and welfare stations require payment of commissions for respective distributors; therefore, the sales price is higher than that of related parties. The collection term of the sales to Pin-Tai Distribution Enterprise Co., Ltd. is payment by monthly settlement with a 60-day remittance. The collection term of related parties is 30 to 90 days end of the month.

The sales of soybean powder to Central Union Oil Corp. by the Company are priced based on market rates less relevant sales expenses, resulting in the net sales price. This pricing approach exhibits no significant deviations when compared to transactions with third parties. The collection terms for related parties range from 45 to 60 days. Collection terms for sales to third parties range from 30 to 45 days from month-end.

The unrealized gross profit on sales between the Company and the aforementioned related parties has been eliminated based on the equity ownership proportion.

B. Purchases and processing expense

	For the years ended December 31,	
	2023	2022
Associates - Central Union Oil Corp.	$223,594	$317,106

Payment terms for purchases from the aforementioned related parties are within 30 days from the date of arrival, which align with conditions similar to those for other related parties. The processing fees from the soybean oil refining carried out by the related party on behalf of the Company, where credit terms involve an advance payment based on estimated processing quantities, followed by settlement of the remaining payment balance within 15 days from month-end reconciliation. The Company does not engage in comparable transactions involving outsourcing to unrelated parties for processing.

C. Trade receivables - related parties

	As of	
	December 31, 2023	December 31, 2022
Pin-Tai Distribution Enterprise Co., Ltd.	$516,613	$506,762
Central Union Oil Corp.	375,521	404,528
Others	4,563	3,199
Total	$896,697	$914,489

D. Other receivables - related parties

	As of	
	December 31, 2023	December 31, 2022
Pin-Tai Distribution Enterprise Co., Ltd.	$4,564	$4,243
Others	-	26
Total	$4,564	$4,269

E. Accounts payable

	As of	
	December 31, 2023	December 31, 2022
Central Union Oil Corp.	$696	$4,825

F. Property transactions

Acquisition of financial assets

	Accounts	Number of shares	Objects	For the year ended December 31, 2023 Purchase price
Substantive related party	Financial assets at fair value through other comprehensive income, non-current	91,874	Equity	$5,054

The above-mentioned equity transaction was based on the market price on the day of purchase at the places of business of securities firms.

(7) Others

A. For the years ended December 31, 2023 and 2022, the Company paid logistics fees, promotion fees and gift fees were as follows:

	For the years ended December 31,	
	2023	2022
Pin-Tai Distribution Enterprise Co., Ltd.	$67,668	$36,897

B. For the years ended December 31, 2023 and 2022, the recognition of information service fees and inventory management fees is as follows:

	For the years ended December 31,	
	2023	2022
Pin-Tai Distribution Enterprise Co., Ltd.	$8,216	$3,943

C. For the years ended December 31, 2023 and 2022, the recognition of dividend income is as follows:

	For the years ended December 31,	
	2023	2022
Central Union Oil Corp.	$44,000	$36,000
Taiwan Familymart Co., Ltd.	44,437	235,641
Taisun Yuan Co., Ltd.	-	12,000
Total	$88,437	$283,641

D. For the years ended December 31, 2023 and 2022, the recognition of remuneration to directors is as follows:

	For the years ended December 31,	
	2023	2022
Central Union Oil Corp.	$723	$536

(8) Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$28,026	$243,982

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

	Carrying amount as of		
	As of		
Items	December 31, 2023	December 31, 2022	Secured liabilities
Other financial assets, current	$90,000	$4,606	Forward exchange agreement and Foreign Exchange Option
Other financial assets, current	1,500	900	Guarantee deposits for provisional execution
Financial assets at fair value through other comprehensive income, non-current	378,000	1,401,465	Short-term/long-term borrowings
Total	$469,500	$1,406,971	

9. Significant contingencies and unrecognized contractual commitments

The list of significant contingencies and unrecognized contractual commitments of the Company as of December 31, 2023 is as follows:

(1)Amounts available under unused letters of credit:

	As of	
	December 31, 2023	December 31, 2022
Amounts available under unused letters of credit	$-	$656,664

(2)The amounts of contract signed and consideration paid for the acquisition of fixed assets and advertising endorsement are as follows:

	As of	
	December 31, 2023	December 31, 2022
Signed Contract	$83,181	$76,339
Price paid	$36,221	$59,181

(3)The Company has issued promissory notes as guarantees for bank financing performance both in the amount of NT$250,000 thousand as of December 31, 2023 and 2022.

(4)In May 2022, the Company has acquired the authorized distribution rights for alcoholic beverages in China region (excluding Taiwan) from Matsu Liquor Factory Industry Co., Ltd. The distribution rights commenced on September 1, 2022, and the agreement is valid for a period of three years. The minimum amount of distribution for this period is set at a minimum of NT$300,000 thousand.

(5)In March 2023, the Company has entered into a master dealer agreement for alcoholic beverages in Taiwan with Matsu Liquor Factory Industry Co., Ltd. The distribution rights commenced on July 1, 2023, and the agreement is valid for a period of three years. The minimum amount of distribution for this period is set at a minimum of NT$1,589,000 thousand. Additionally, if the Company does not achieve the minimum distribution amount or perform this contract, Matsu Liquor Factory Industry Co., Ltd. may terminate this contract without a prior notice and forfeit the performance guarantee deposit in the amount of NT$26.5 million.

(6)As explained in Note 6(6), the Company disposed of 43,300 shares in FamilyMart with a net disposal consideration in the amount of NT$7,986,979 thousand, and the Company has received the entirety of this consideration and recognized a gain on disposal of investments in the amount of NT$5,325,489 thousand at the same year. The Company's shareholding in FamilyMart has decreased from 22.47% to 3.07%. As the Company lost significant control over FamilyMart, it remeasured the remaining 3.07% shareholding at the time of the disposal. The fair value as of December 5, 2022 was then reclassified to financial assets measured at fair value through other comprehensive income, non-current. As a result, the Company recognized a gain on disposal of investments in the amount of NT$885,583 thousand and the total gain on disposal of investment for the year ended December 31, 2022 amounted to NT$6,211,072 thousand. However, on January 11, 2023, the Company received a notice from the Intellectual Property and Commercial Court regarding an action filed against the Company by Everwin Investment Co., Ltd. and Long Bon International Co., Ltd. The action was seeking invalidation of the 8th meeting of the 22nd board resolution of the Company concerning the "disposal of shares held in FamilyMart Co., Ltd." The reasons provided include failure to comply with Subparagraph 2, Paragraph 1, Article 185 of the Company Act by not submitting the aforementioned proposal for a special resolution at the shareholders' meeting, as well as inadequate provision of information to the Board of Directors and violations of the legal procedures for convening the board meeting, rendering the resolution invalid. The parties involved in this lawsuit were Long Bon International Co., Ltd. and the Company, as well as other interveners including Wan Bao Development Co., Ltd., Hon-Chiang Co., Ltd. and Ching-Hsun Investment Industrial Co., Ltd. As of the financial reporting date, the case is still pending at the Intellectual Property and Commercial Court.

(7)The Company was under investigation by the Fair Trade Commission for the alleged price-fixing with several fish feed companies, which may be liable for punishment. As of the financial reporting date, the case is still pending.

(8)Please refer to Note 6(9) for relevant information on the 40.49% equity investment in JKO FinTech Co., Ltd.

(9)In 2023, the Company was sued by Mei Ruei Advertisement Co., Ltd. in the Taipei District Court, claiming that the Company should pay the advertising fees and liquidated damages totaling approximately NT$40,503 thousand. As of the date of the financial statements, this case was still pending at the court.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1)Categories of financial instruments

Financial assets

	As of	
	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$92,739	$86,150
Financial assets measured at fair value through other comprehensive income	1,397,325	1,492,062
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	1,406,619	8,006,243
Trade receivables (including related parties)	1,448,248	1,478,585
Other receivables (including related parties)	8,820	9,823
Prepayment for investments	3,600,000	-
Other financial assets (current and non-current)	128,192	18,117
Subtotal	6,591,879	9,512,768
Total	$8,081,943	$11,090,980

Financial liabilities

	As of	
	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$-	$759,490
Short-term notes payable	-	350,000
Accounts payable	486,291	543,775
Other payables (including related parties)	267,047	840,121
Long-term borrowings (including current portion with maturity less than 1 year)	-	570,000
Deposits received	4,301	4,217
Total	$757,639	$3,067,603

(2)Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3)Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. The information of the sensitivity analysis is as follows:

(1) When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$3,719 thousand and NT$857 thousand, respectively.
(2) When NTD strengthens/weakens against JPY by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$242 thousand and NT$119 thousand, respectively.
(3) When NTD strengthens/weakens against CNY by 1%, the profit for the years ended December 31, 2023 and 2022 would decrease/increase by NT$219 thousand and NT$225 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank borrowings with variable interest rates and investments at variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 0.5 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NT$0 thousand and NT$26,661 thousand, respectively.

Equity price risk

The Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment objectives. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investments according to level of authority.

At the reporting date, a change of 5% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit for the years ended December 31, 2023 and 2022 by NT$2,439 thousand and NT$2,452 thousand, respectively.

At the reporting date, a change of 5% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an increase/decrease in the amount of NT$69,230 thousand and NT$74,545 thousand on the equity attributable to the Company for the years ended December 31, 2023 and 2022, respectively.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4)Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for trade receivables and notes receviable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counterparties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023 and 2022, trade receivables from the top 10 customers, represent 76% and 70% of the trade receivables of the Company, respectively. The credit concentration risk of trade receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss were acquired with low credit risk as the prerequisite upon acquisition. The Company makes an assessment at each reporting date as to whether the credit risk significantly increases since original recognition, and further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5)Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amounts include the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As of December 31, 2023					
Accounts payable	$486,291	$-	$-	$-	$486,291
Other payables	267,047	-	-	-	267,047
Deposits received	4,301	-	-	-	4,301

	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
As of December 31, 2022					
Bank loans (including short-term and long-term borrowings)	$1,355,124	$-	$-	$-	$1,355,124
Other payables	840,121	-	-	-	840,121
Short-term notes payable	350,000	-	-	-	350,000
Accounts payable	543,775	-	-	-	543,775

Derivative financial liabilities

None.

(6)Reconciliation of liabilities arising from financing activities

Reconciliations of the liabilities for the year ended December 31, 2023:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Total liabilities from financing activities
As of January 1, 2023	$759,490	$350,000	$570,000	$1,679,490
Cash flows	(759,490)	(350,000)	(570,000)	(1,679,490)
Non-cash changes	-	-	-	-
As of December 31, 2023	$-	$-	$-	$-

Reconciliations of the liabilities for the year ended December 31, 2022:

	Short-term borrowings	Short-term notes payable	Long-term borrowings	Total liabilities from financing activities
As of January 1, 2022	$504,312	$500,000	$1,050,000	$2,054,312
Cash flows	255,178	(150,000)	(480,000)	(374,822)
Non-cash changes	-	-	-	-
As of December 31, 2022	$759,490	$350,000	$570,000	$1,679,490

(7)Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

c. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and financial liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

None.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2023:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Listed domestic companies stocks	$48,781	$-	$-	$48,781
Beneficiary certificate - open end funds	43,958	-	-	43,958
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,384,594	-	-	1,384,594
Unlisted domestic companies stocks	11,576	-	1,155	12,731

As of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Listed domestic companies stocks	$49,042	$-	$-	$49,042
Beneficiary certificate - open end funds	37,108	-	-	37,108
Financial assets at fair value through other comprehensive income				
Listed domestic companies stocks	1,490,907	-	-	1,490,907
Unlisted domestic companies stocks	-	-	1,155	1,155

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Fair value measurements in Level 3 of the fair value hierarchy for movements during the period

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through other comprehensive income
	Stocks
Balance as of January 1, 2023	$1,155
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-
Balance as of December 31, 2023	$1,155

	Assets
	At fair value through other comprehensive income
	Stocks
Balance as of January 1, 2022	$1,155
Total gains and losses recognized for the year ended December 31, 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-
Balance as of December 31, 2022	$1,155

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	50%	The higher the discount for lack of marketability	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT$12 thousand

As of December 31, 2022:

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets measured at fair value through other comprehensive income					
Stocks	Asset-Based Approach	Discount for lack of marketability	25%	The higher the discount for lack of marketability	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's profit or loss by NT$12 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Amount Unit: in thousands

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	12,759	30.7350	$395,325
JPY	111,359	0.2173	24,198
CNY	5,064	4.3338	21,946
Financial liabilities			
Monetary items:			
USD	762	30.7350	23,413

	As of December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	16,311	30.7080	495,229
JPY	51,170	0.2324	11,892
CNY	5,088	4.4175	22,479
Financial liabilities			
Monetary items:			
USD	13,335	30.7080	409,490

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11)Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosure

(1) Information on significant transactions

(1) Financing provided to others:

Unit: in thousands of New Taiwan Dollars

No. (Note 1)	Lender	Counterparty	Financial statement account (Note 2)	Related party	Maximum balance for the period (Note 3)	Ending Balance (Note 8)	Actual amount provided (ending balance)	Interest rate	Nature of financing (Note 4)	Amount of sales to (purchase from) counterparty (Note 5)	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral		Limit of financing amount for individual counterparty (Notes 7 and 8)	Limit of total financing amount (Notes 7 and 8)
													Item	Value		
0	The Company	Taisun Enterprise (Zhang Zhou) Foods Ltd.	Other receivables - related parties	Yes	$65,007	$-	$-	-	2	$-	Repayment of financing for working capital for operations	$-	None	$-	$1,207,865	$2,415,731
1	Taisun (Cayman) Investment Ltd.	Taisun Enterprise (Zhang Zhou) Foods Ltd.	Other receivables - related parties	Yes	$56,339	$-	$-	-	2	$-	Repayment of financing for working capital for operations	$-	None	$-	$363,229	$363,229

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Items recorded include trade receivables from associates, receivables from related parties, shareholder transactions, prepayments, advances, and similar items. If these items are of a nature involving financing provided to others, fill in the field.

Note 3: Fill in the maximum balance of funds provided to others (amount approved by the Board of Directors) accumulated for the year ended December 31, 2023.

Note 4: Explanation of the nature of financing: Investee company that has a business relationship with the parent is coded "1"; Short-term financing is coded "2".

Note 5: Fill in the amount of sales to (purchase from) counterparty for financing categorized as business transactions.

Note 6: Where short-term financing is needed, the reasons for and use of such loans shall be enumerated, e.g., repayment for borrowings, acquisition of equipment, working capital for operations, etc.

Note 7: For short-term financing, the limit of financing procvided shall not exceed 20% of the lender's net worth. For individual counterparty, the limit shall be lower of 10% of the lender's net worth or 50% of thecounterparty's net worth.

Note 8: Where the Company directly or indirectly holds 100% of the voting shares of a foreign corporation, engaging in financing activities, or when the Company directly or indirectly holds 100% of the voting shares of a foreign corporation that is engaging in financing activities with the Company, the limit for such financing amount shall not exceed 100% of the lender's net worth. The period of financing shall not exceed two years.

Note 9: In accordance with Paragraph 1, Article 14 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", and loans of funds between the public company and its parent company or subsidiaries, or between its subsidiaries shall be submitted for a resolution by the board of directors, even if the disbursement has not yet occurred, the board-approved amount shall be disclosed as a reported balance to disclose the assumed risk. Subsequently, upon repayment of the funds, the adjusted remaining balance shall be disclosed to reflect risk adjustments. In the case where a public company operates under Paragraph 2, Article 14 of the regulation, authorizing the chairman of the board to disburse funds incrementally within a certain limit and over a one-year period, the announced reported balance shall be based on the board-approved amount. After the fund is repaid, considering the possibility of further disbursements, the reported balance shall continue to reflect the board-approved fund lending limit.

(2) Endorsement/Guarantee provided to others for the year ended December 31, 2023: None.

(3) Securities held at the end of the period:

Unit: in thousands of New Taiwan Dollars

Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	Ending of period				Note
				Shares/ Units	Carrying amount	Percentage of ownership (%)	Fair value	
The Company	Stocks - Yi Jinn Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss, current	2,622,600	$48,781	0.87%	$48,781	
The Company	Stocks - Cando Corporation	-	Financial assets at fair value through profit or loss, current	256,923	-	0.07%	-	
The Company	Fund - Fubon S&P US Preferred Stock ETF	-	Financial assets at fair value through profit or loss, current	1,000,000	14,820	- %	14,820	
The Company	Fund - Yuanta Global NextGen Communications ETF	-	Financial assets at fair value through profit or loss, current	500,000	17,250	- %	17,250	
The Company	Fund - Yuanta Global Leaders Balanced Fund-TWD(A)	-	Financial assets at fair value through profit or loss, current	33,000	11,888	- %	11,888	
The Company	Preferred Stocks - Cathy Financial Holding Co., Ltd. Preferred Stock A	-	Financial assets at fair value through other comprehensive income, non-current	333,000	19,847	- %	19,847	
The Company	Stocks - Fwusow Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	3,877,950	72,664	1.17%	72,664	
The Company	Stocks - Taiwan Familymart Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	6,836,417	1,292,083	3.06%	1,292,083	
The Company	Stocks - Yin-Wang Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	10,000	100	10.00%	100	
The Company	Stocks - China Trade and Development Corporation	-	Financial assets at fair value through other comprehensive income, non-current	2,788	28	- %	28	
The Company	Stocks - Mega 888 Corp.	-	Financial assets at fair value through other comprehensive income, non-current	17,350	174	1.16%	174	
The Company	Stocks - Taisun Foods & Marketing Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	886,788	-	18.90%	-	
The Company	Stocks - Hsin Tung Yang Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	79,000	853	0.09%	853	

The Company	Stocks - Family International Gourmet Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	91,874	11,576	0.40%	11,576	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Taitung Business Bank	-	Financial assets at fair value through profit or loss, current	9,628	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Hualon Corporation	-	Financial assets at fair value through other comprehensive income, non-current	5,176	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Chung Hsin Electric & Machnery Manufacturing Corporation	-	Financial assets at fair value through other comprehensive income, non-current	1,183	138	- %	138	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Pacific Elrctric Wire & Cable Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	579	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Lite-On Technology Corporation	-	Financial assets at fair value through other comprehensive income, non-current	6,260	733	- %	733	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Wus Printed Circuit Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	729	28	- %	28	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Macronix International Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	362	11	- %	11	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Winbond Electronics Corporation	-	Financial assets at fair value through other comprehensive income, non-current	1,195	36	- %	36	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Silicon Integrated System Corp.	-	Financial assets at fair value through other comprehensive income, non-current	2,536	116	- %	116	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Pao Shiang Construction & Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	27,425	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Kerry TJ Logistics Co., Limited	-	Financial assets at fair value through other comprehensive income, non-current	15,524	596	- %	596	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - China Development Financial Holding Corporation	-	Financial assets at fair value through other comprehensive income, non-current	56,505	709	- %	709	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Taishin Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	112,067	2,029	- %	2,029	

Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Shin Kong Financial Holdings Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	20,225	179	- %	179	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - CGS International, Inc.	-	Financial assets at fair value through other comprehensive income, non-current	565	12	- %	12	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-current	10,351,332	232,905	2.07%	232,905	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Ornatube Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	55,000	-	- %	-	
Pin-Tai Distribution Enterprise Co., Ltd.	Stocks - Kuei Hung Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	22,000	-	- %	-	
Taiwan Nikomart Co., Ltd.	Stocks - Charoen Pokphand Enterprise (Taiwan) Co., Ltd.	-	Financial assets at fair value through profit or loss, current	117,700	11,310	0.04%	11,310	
Taiwan Nikomart Co., Ltd.	Stocks - Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-current	2,960,186	66,604	0.59%	66,604	
Chuang Shin Traffic Co., Ltd.	Stocks - Taisun Enterprise Co., Ltd.	Parent and subsidiary	Financial assets at fair value through other comprehensive income, non-current	368,524	8,292	0.07%	8,292	
Chuang Shin Traffic Co., Ltd.	Stocks - Chung Hsin Electric & Machnery Manufacturing Corporation	-	Financial assets at fair value through other comprehensive income, non-current	1,928	225	- %	225	
Chuang Shin Traffic Co., Ltd.	Stocks - Winbond Electronics Corporation	-	Financial assets at fair value through other comprehensive income, non-current	5,305	161	- %	161	
Chuang Shin Traffic Co., Ltd.	Stocks - Sysgration Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	42,451	1,518	0.02%	1,518	
Chuang Shin Traffic Co., Ltd.	Stocks - Powerchip Technology Corporation	-	Financial assets at fair value through other comprehensive income, non-current	-	-	- %	-	
Chuang Shin Traffic Co., Ltd.	Stocks - Powerchip Semiconducter Manufacturing Co.	-	Financial assets at fair value through other comprehensive income, non-current	38,995	1,148	- %	1,148	
Chuang Shin Traffic Co., Ltd.	Stocks - Taitung Business Bank	-	Financial assets at fair value through profit or loss, current	9,628	-	- %	-	
Chuang Shin Traffic Co., Ltd.	Stocks - Hualon Corporation	-	Financial assets at fair value through other comprehensive income, non-current	5,176	-	- %	-	

Chuang Shin Traffic Co., Ltd.	Stocks - Pao Shiang Construction & Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	38,760	-	- %	-	
Chuang Shin Traffic Co., Ltd.	Stocks - Kuei Hung Industrial Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	22,000	-	- %	-	
Chuang Shin Traffic Co., Ltd.	Stocks - Ornatube Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	60,000	-	- %	-	
Taisun (Cayman) Investment Ltd.	Srocks - Yamai Limited	-	Financial assets at fair value through other comprehensive income, non-current	-	2,817	3.66%	2,817	
Taisun Yuan Co., Ltd.	Stocks - Fwusow Industry Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	88,580	1,710	0.03%	1,710	
Taisun Yuan Co., Ltd.	Stocks - Family International Gourmet Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	268	33	0.01%	33	
Taisun Yuan Co., Ltd.	Stocks - Taiwan Familymart Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	20,000	3,780	0.01%	3,780	

Note 1: "Financial instruments" as referred to in this table includes stocks, bonds, beneficiary certificate, and securities derived from the aforementioned items, within the scope of IFRS 9 *Financial Instruments*.

Note 2: Not required if the issuer of securities is not a related party.

Note 3: For items measured at fair value, the "Carrying amount" column represents the adjusted carrying amount after fair value assessment and deduction of accumulated impairments. For items not measured at fair value, the "Carrying amount" column represents the carrying amount after deducting accumulated impairments from the original cost or amortized cost.

Note 4: Unissued shares.

(4) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023:
Please refer to Note 6(9) for more details on the acquisition of equity in JKO FinTech Co., Ltd. for NT$3.6 billion in May 2023.

(5) Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more: None.

(6) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock for the year ended December 31, 2023: None.

(7) Related party transactions for purchases and sales amounts reaching NT$100 million or 20 percent of paid-in capital for the year ended December 31, 2023:

Related parties	Counterparty	Relationship	Transaction Details				Details of non-arm's length transaction		Notes and trade receivables (payables)		Note
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Terms	Unit Price	Terms	Balance	Percentage of Total Trade Receivables (Payables)	
The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Parent and subsidiary	Sales	$(2,301,399)	(24%)	Payment by monthly settlement with a 60-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	$516,613	36%	(Note 2)
The Company	Central Union Oil Corp.	Associates	Sales	(2,921,364)	(30%)	Receipt of payment within 45 to 60 days	Trading condition is not significantly different	Trading condition is not significantly different	375,521	26%	

TAISUN ENTERPRISE CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
(Expressed in Thousands of New Taiwan Dollars unless Specified Otherwise)

Related parties	Counterparty	Relationship	Transaction Details				Details of non-arm's length transaction		Notes and trade receivables (payables)		Note
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales)	Terms	Unit Price	Terms	Balance	Percentage of Total Trade Receivables (Payables)	
The Company	Central Union Oil Corp.	Associates	Purchases	223,594	3%	Payment by monthly settlement with a 15-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	(696)	(0.1%)	
Chuang Shin Traffic Co., Ltd.	Taiwan Distribution Center Co., Ltd.	Substantive related party	Sales	(248,977)	(64%)	Logistics - Payment by monthly settlement with a 30-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	21,712	48%	
Chuang Shin Traffic Co., Ltd.	Re-Yi Distribution Service Co., Ltd.	Substantive related party	Sales	(111,591)	(29%)	Payment by monthly settlement with a 45-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	20,571	45%	
Pin-Tai Distribution Enterprise Co., Ltd.	Taisun Enterprise Co., Ltd.	Parent and subsidiary	Purchases	2,301,399	95%	Payment by monthly settlement with a 60-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	(516,612)	(94%)	(Note 2)
Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Distribution Center Co., Ltd.	Substantive related party	Sales	(137,048)	(5%)	Payment by monthly settlement with a 45-day remittance	Trading condition is not significantly different	Trading condition is not significantly different	24,874	6%	

Note 1: The above ratios are calculated based on the individual financial statements of companies as a percentage of their respective sales (purchases) of goods.

Note 2: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

(8) Receivables from related parties reaching NT$100 million or 20 percent of paid-in capital for the year ended December 31, 2023:

Related Parties	Counterparty	Relationships	Trade receivables - related parties	Turnover rate	Overdue trade receivables – related parties		Collection subsequent period	Allowance for doubtful debts
			Balance		Amount	Processing method		
The Company	Central Union Oil Corp.	Associates	$375,521	7.49	-	-	$375,521	-
The Company (Note)	Pin-Tai Distribution Enterprise Co., Ltd.	Parent and subsidiary	516,613	4.50	-	-	350,105	-

Note: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

(9) Transactions of financial instruments and derivative: None.

(2) Information of investees (excluding investees in Mainland China):

Unit: in thousands of New Taiwan Dollars

Investor	Investees company	Location	Main businesses and products	Initial Investment Amount		Ending Balance			Net income (losses) of the investee	Investment income (loss) recognized (Note 3)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownerships	Carrying amount			
The Company	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	$284,067	$284,067	27,203,632	73.92%	$27,105	$3,724	$1,098	Note 4
The Company	Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan	Wholesale and retail of edible oils and fats.	346,126	346,126	21,255,839	99.93%	260,633	28,322	22,407	Note 4
The Company	Taisun (Cayman) Investment Ltd.	Cayman	Investment	1,498,670	1,498,670	40,290,000	100.00%	361,522	70,463	70,463	Note 4
The Company	Taisun Yuan Co., Ltd.	Taiwan	Investment management	5,000	5,000	500,000	100.00%	21,850	6,254	6,254	Note 4
The Company	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	15,352	15,352	1,358,480	13.26%	8,360	5,706	552	Note 4

Investor	Investees company	Location	Main businesses and products	Initial Investment Amount		Ending Balance			Net income (losses) of the investee	Investment income (loss) recognized (Note 3)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of ownerships	Carrying amount			
The Company	Central Union Oil Corp.	Taiwan	Manufacturing, processing, and selling of bean products	204,125	204,125	20,000,000	33.33%	314,127	160,645	53,548	Note 2
Pin-Tai Distribution Enterprise Co., Ltd.	Chuang Shin Traffic Co., Ltd.	Taiwan	Logistics	94,780	94,780	8,630,240	84.21%	98,018	5,706	4,805	Note 4
Pin-Tai Distribution Enterprise Co., Ltd.	Taiwan Nikomart Co., Ltd.	Taiwan	Operation of a chain of convenience stores	87,084	87,084	8,904,412	24.20%	28,439	3,724	901	Note 4
Taisun (Cayman) Investment Ltd.	Taisun International Ltd.	British Virgin Islands	Sale of oil products	-	-	-	100.00%	-	-	-	Note 4

Note 1: For public company that has foreign holding subsidiaries and are required to primarily prepare consolidated financial statements in accordance with local regulations, disclosure of information related to foreign investee companies may be limited to relevant details pertaining to those subsidiaries.

Note 2: For circumstances not listed in Note 1, filled in by the following rules:

(1) "Investee company", "Address", "Main businesses and products", "Initial investment" and "Investment as of December 31, 2023" shall be filled in the Company's investment to the subsidiaries' re-investment in corresponding order, and indicate the relationship in the Notes.

(2) "Net income (loss) of investee company" shall be filled in net income (loss) of investee for the year ended December 31, 2023.

(3) "Investment income (loss) recognized", shall be filled in only investment income (loss) under the equity method, and the investor shall confirm that its investment income (loss) includes the subsidiaries' re-investment.

Note 3: This includes the unrealized profit from downstream and upstream sales.

Note 4: The above transaction between the consolidated entities in the Group has been offset during the preparation of the consolidated financial statements.

(3) Information on investments in Mainland China:

(1) The relevant information on the Company's investment in Mainland China is as follows:

Unit: in thousands of New Taiwan Dollars

Investees company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan at the beginning of the period	Investment Flows		Accumulated outflow of investment from Taiwan at the end of the period	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value at the end of the period (Note 3)	Accumulated inward remittance of earnings at the end of the period
					Outflow	Inflow						
Taisun Enterprise (Zhang Zhou) Foods Ltd.	Production and sale of food, beverages, snacks, and products	$845,213 (USD27,500)	(2) (Note 4)	$1,026,549 (USD33,400)	$-	$-	$1,026,549 (USD33,400)	$71,535	100.00%	$71,535	$295,763	$-
Cheng Da Restaurant Investment Management (Sichuan) Ltd.	Sale of freshly baked bread, etc.	39,033 (USD1,270)	(2) (Note 5)	19,056 (USD620)	$-	$-	19,056 (USD620)	-	3.66%		-	-
Jiangsu Da Mai Foods Ltd.	Sale of freshly baked bread, etc.	102,196 (USD3,328)	(2) (Note 5)	22,437 (USD730)	$-	$-	22,437 (USD730)	-	3.66%		1,356	-

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by investment commission, MOEA	Upper limit on investment (Note 1)
$1,068,042	1,470,670	$7,247,195

Note 1: Investment in China includes the following methods of investment:

(1) Direct investment in a China company.

(2) Investment in China companies by remittance through a third region.

(3) Other methods of investing in China.

Note 2: In the Investment income (loss) recognized column:

(1) If it is in the preparation stage and has not generated investment gains or losses yet, it shall be clearly indicated.

(2) Investment gain and loss recognition bases are classified into the following three types, and shall be indicated:

A. Financial statements audited by an international accounting firm in collaboration with a Taiwanese CPA firm.

B. Financial statements audited by the CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this table shall be presented in New Taiwan Dollars. For transactions involving foreign currencies, except for the investee company's current period income and the investment income recognized in the current period , which are converted using the average exchange rate during the financial reporting period, the conversion to New Taiwan Dollars shall be converted using the exchange rate as of the balance sheet date of the financial statements.

Note 4: Investment made through the intermediary of an investee company, Taisun (Cayman) Investment Ltd., to further invest in China company.

Note 5: Indirect investment in China company through a downstream investment in Yamai Limited, holding a 3.66% stake. As there is no significant influence, investment income has not been recognized.

(2) Significant direct or indirect transactions with the investee, its prices, terms of payment and unrealized gain or loss:

Please refer to Note 13(1) for the information on significant transactions.

(4) Information on major shareholders:

Shares / Name of major shareholders	Number of shares held (shares)	Percentage of ownership (%)
Long Bon International Co., Ltd.	191,721,000	38.34%
Everwin Investment Co., Ltd.	58,279,000	11.66%

TAISUN ENTERPRISE CO., LTD.

STATEMENTS OF MAJOR ACCOUNTING ITEMS

For the year ended December 31, 2023

Items	Statement Index
Statement of cash and cash equivalents	1
Statement of trade receivables	2
Statement of trade receivables - related parties	3
Statement of inventories	4
Statement of changes in financial assets measured at fair value through other comprehensive income, non-current	5
Statement of changes in investments accounted for using the equity method	6
Statement of changes in property, plant and equipment	Note 6 (7)
Statement of changes in the accumulated depreciation of property, plant and equipment	Note 6 (7)
Statement of accounts payable	7
Statement of net operating revenues	8
Statement of operating costs	9
Statement of operating expenses	10
Summary statement of current employee benefits, depreciation and amortization expenses by function	Note 6 (18)
Statement of non-operating income and expenses	Note 6 (19)

TAISUN ENTERPRISE CO., LTD.

1. Statement of cash and cash equivalents

As of December 31, 2023

Unit: in thousands of New Taiwan Dollars

Items	Description			Amount
Cash on hand and petty cash				$200
Cash in banks				
Checking deposits				9,860
Demand deposits				1,108,343
Foreign currency demand deposits	Initial number of currency		Exchange rate	
	USD	6,857,122.99	30.7350	210,754
	JPY	97,720,617.00	0.2173	21,235
	RMB	63,988.42	4.3338	277
	EUR	110,158.66	34.0114	3,746
Time deposits	Initial number of currency		Exchange rate	
	USD	1,000,000.00	30.7350	30,735
	RMB	5,000,000.00	4.3338	21,669
Total				$1,406,819

TAISUN ENTERPRISE CO., LTD.

2. Statement of trade receivables

As of December 31, 2023

Unit: in thousands of New Taiwan Dollars

Client name	Description	Amount	Note
Client A	Payment for goods	$150,456	
Client B	〃	60,712	
Client C	〃	54,069	
Client D	〃	24,500	
Others	〃	199,533	The amount of individual item in others does not reach 5% of the account balance.
	Subtotal	489,270	
Less: loss allowance		(26,726)	
	Total	$462,544	

TAISUN ENTERPRISE CO., LTD.

3. Statement of trade receivable - related parties

As of December 31, 2023

Unit: in thousands of New Taiwan Dollars

Client name	Description	Amount	Note
Central Union Oil Corp.	Payment for goods	$375,521	
Pin-Tai Distribution Enterprise Co., Ltd.	〃	516,613	
Others	〃	4,563	The amount of individual item in others does not reach 5% of the account balance.
	Subtotal	896,697	
Less: loss allowance		-	
	Total	$896,697	

TAISUN ENTERPRISE CO., LTD.

4. Statement of inventories

As of December 31, 2023

Unit: in thousands of New Taiwan Dollars

Items	Description	Amount		Note
		Cost	Net realizable value	
Raw materials	The sales price on the reporting date is the market	$546,849	$546,484	
Supplies	〃	30,318	30,308	
Work in progress	〃	217,071	214,472	
Finished goods	〃	469,724	484,324	
Subtotal		1,263,962	$1,275,588	
Less: Allowance for losses for market price decline and obsolete and slow-moving inventories		(22,993)		
Total		$1,240,969		

TAISUN ENTERPRISE CO., LTD.

5. Statement of changes in financial assets measured at fair value through other comprehensive income, non-current

For the year ended December 31, 2023

Unit: in thousands of New Taiwan Dollars

Name	Beginning balance		Increase		Decrease		Fair Value	Ending balance		Accumulated impairment	Guarantee/Pledge	Note
	Shares	Adjustments for fair value	Shares	Amount	Shares	Amount		Shares	Fair value			
Financial Asset												
Cathy Financial Holding Co., Ltd. Preferred Stock A	333,000	$18,848	-	$-	-	$-	$999	333,000	$19,847	$-	None	
Family International Gourmet Co., Ltd.	-	-	91,874	5,053	-	-	6,523	91,874	11,576	-	None	
China Trade and Development Corporation	2,788	28	-	-	-	-	-	2,788	28	-	None	
Mega 888 Corp.	17,350	174	-	-	-	-	-	17,350	174	-	None	
Hsin Tung Yang Co., Ltd.	79,000	853	-	-	-	-	-	79,000	853	-	None	
Yin-Wang Co., Ltd.	10,000	100	-	-	-	-	-	10,000	100	-	None	
Taisun Foods & Marketing Co., Ltd.	866,788	-	-	-	-	-	-	866,788	-	-	None	
Fwusow Industry Co., Ltd.	3,765,000	70,594	112,950	-	-	-	2,070	3,877,950	72,664	-	None	
Taiwan Familymart Co., Ltd.	6,836,417	1,401,465			-	-	(109,382)	6,836,417	1,292,083	-	Long-term borrowings	
		$1,492,062		$5,053		$-	$(99,790)		$1,397,325	$-		

TAISUN ENTERPRISE CO., LTD.

6. Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

Unit: in thousands of New Taiwan Dollars

Name	Beginning balance		Increase		Decrease (Note 1)		Exchange differences on translation of foreign operations	Adjustments accounted for under equity method (Note 2)	Ending balance			Market Value or Net Assets Value		Guarantee /Pledge	Note
	Shares	Amount	Shares	Amount	Shares	Amount			Shares	Percentage of ownership (%)	Amount	Unit price (NT$)	Total amount		
Financial Asset															
Taiwan Nikomart Co., Ltd.	27,203,632	$24,352	-	$-	-	$-	$-	$2,753	27,203,632	73.92%	$27,105	$3.19	$86,871	None	
Pin-Tai Distribution Enterprise Co., Ltd.	21,255,839	235,429	-	-	-	-	-	25,204	21,255,839	99.93%	260,633	24.41	518,915	None	
Taisun (Cayman) Investment Ltd.	40,290,000	306,969	-	-	-	-	(5,092)	59,645	40,290,000	100.00%	361,522	9.02	363,229	None	
Central Union Oil Corp.	20,000,000	304,201	-	-	-	44,000	-	53,926	20,000,000	33.33%	314,127	47.28	945,574	None	
Chuang Shin Traffic Co., Ltd.	1,358,480	7,610	-	-	-	-	-	750	1,358,480	13.26%	8,360	11.36	15,429	None	
Taisun Yuan Co., Ltd.	500,000	15,800	-	-	-	-	-	6,050	500,000	100.00%	21,850	43.70	21,849	None	
		$894,361		$-		$44,000	$(5,092)	$148,328			$993,597				

Note 1: The decrease in the current period is due to the cash dividends obtained from the invested companies in the amount of NT$44,000 thousand.

Note 2: The adjustments accounted for under equity method include share of profit or loss of subsidiaries and associates amounted to NT$154,322 thousand, capital surplus - treasury shares amounted to NT$7,755 thousand, changes in other comprehensive income amounted to NT$(16,348) thousand and effects of unrealized gains or losses on downstream and upstream transactions amounted to NT$2,599 thousand.

TAISUN ENTERPRISE CO., LTD.

7. Statement of accounts payable

As of December 31, 2023

Unit: in thousands of New Taiwan Dollars

Client name	Description	Amount	Note
Supplier A	Payment for goods	$34,523	
Supplier B	〃	33,147	
Supplier C	〃	26,226	
Others	〃	391,117	The amount of individual item in others does not reach 5% of the account balance.
Total		$485,013	

TAISUN ENTERPRISE CO., LTD.

8. Statement of operating revenue

For the year ended December 31, 2023

Unit: in thousands of New Taiwan Dollars

Items	Units	Amount	Note
Soybean flour and soybean	186,049 tons	$3,393,586	
Beverage	15,731 thousand boxes	3,149,736	
Edible oil	30,758 tons	2,822,347	
Livestock product	12,764 tons	368,523	
Others		13,706	
Total		9,747,898	
Less: Sales returns		(13,353)	
Sales discounts and allowances		(10,531)	
Net		$9,724,014	

TAISUN ENTERPRISE CO., LTD.

9. Statement of operating costs

For the year ended December 31, 2023

Unit: in thousands of New Taiwan Dollars

Client name	Description	Amount	Note
Cost of sales			
Raw materials			
Raw materials at the beginning of the period		$656,180	
Add: Purchase of raw materials		5,026,191	
Other transferred-in costs		3,520	
Less: Raw materials at the end of the period		(546,849)	
Transferred to expenses		(1,675)	
Inventory losses on raw materials		(1,599)	
Disposal of raw materials		(98)	
		5,135,670	
Indirect raw materials			
Supplies at the beginning of the period		25,601	
Add: Purchase of raw materials		1,192,685	
Less: Supplies at the end of the period		(30,318)	
Transferred to expenses		(32,450)	
Inventory losses on supplies		(18)	
Disposal of supplies		(162)	
		1,155,338	
Direct labor		154,051	
Manufacturing overheads		407,505	
Work in progress at the beginning of the period		380,774	
Add: Purchase of raw materials		662,173	
Inventory profit on work in progress		7,767	
Less: Work in progress at the end of the period		(217,071)	
Disposal of work in progress		(372)	
Transferred to expenses		(12)	
Manufacturing cost		7,685,823	
Finished goods at the beginning of the period		455,421	
Add: Purchase for the current period		1,156,623	
Less: Finished goods at the end of the period		(494,358)	
Transferred to expenses		(26,551)	
Inventory losses on finished goods		(8,345)	
Other transferred-out costs		(3,520)	
Transferred to biological assets, non-current		(3,183)	
Transferred to fixed assets		(3,168)	
Disposal of finished goods		(422)	
Sale of scraps		(1,407)	
Loss on physical inventory		2,195	
Inventory obsolescence		1,054	
Cost of sales		8,760,162	
Rental cost		1,207	
Total cost of sales		$8,761,369	

TAISUN ENTERPRISE CO., LTD.

10. Statement of operating expenses

For the year ended December 31, 2023

Unit: in thousands of New Taiwan Dollars

Items	Selling expenses	Administrative expenses	Expected credit losses	Amount
Wages and salaries	$74,137	$96,025	$-	$170,162
Freight	105,284	338	-	105,622
Advertisement expense	232,015	-	-	232,015
Taxes	70,358	3,124	-	73,482
Services expense	426	64,871	-	65,297
Expected credit losses	-	-	408	408
Other expenses	274,469	196,489	-	470,958
Total	$756,689	$360,847	$408	$1,117,944

Note 1: The amount of individual item in others does not exceed 5% of the account balance.