

Stock Code: 1225



福懋油脂股份有限公司

FORMOSA OILSEED PROCESSING CO., LTD.

2023 Regular Shareholders' Meeting
**Meeting Agenda
Handbook**

Time: June 29, 2023

Location: No. 453 Sec. 1, Shatian Rd., Dadu Dist.,
Taichung City
(Meeting Room of the Company' Building)

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FORMOSA OILSEED PROCESSING CO., LTD.
2023 Regular Shareholders' meeting
Meeting Procedure

1. Announcing Meeting in Session
2. Welcome Speech by the Chair
3. Matters for Report
4. Matters for Ratification
5. Matters for Discussion
6. Extempore Motion
7. Adjournment

FORMOSA OILSEED PROCESSING CO., LTD.
2023 Regular Shareholders' Meeting
Meeting Agenda

Time: June 29, 2023 (THU) at 09:00AM

Location: No.453, Sec. 1, Shatian Rd., Dadu Dist., Taichung City
(Meeting Room of the Company Building)

Convening Manner: Physical-Only Shareholders' Meeting

1. Announcing Meeting in Session (w/ Shares Represented by Attending Shareholders Reported)
2. Welcome Speech by the Chair
3. Matters for Report
 - (1). Business Report of 2022
 - (2). Audit Committee Review Report of 2022
 - (3). Employees' and Directors' Remuneration Distribution of the Company for 2022
 - (4). Cash Dividends Distribution Report of the Company
 - (5). Endorsement and Guarantee Report of the Company
4. Matters for Ratification
 - (1). Business Report of 2022 and Parent-Company Only and Consolidated Financial Statements.
 - (2). Earnings Distribution of 2022
5. Matters for Discussion
 - (1). New Share Issue through Capital Increase out of Retained Earnings of 2022
 - (2). The Amendment to partial articles of the Company's "Articles of Incorporation"
 - (3). The Amendment to partial articles of the Company's "Rules of Procedures for Shareholders' Meeting"
6. Extempore Motion
7. Adjournment

Matters for Report

【Matters for Report】

Case 1. To Report the Company's Business Report of 2022.

Business Report of the Company is attached in Appendix 1.

(Page 19 of the Meeting Agenda Handbook)

【Matters for Report】

Case 2. To Report Audit Committee Review Report of 2022

(1) Financial Statement Review Report

FORMOSA OILSEED PROCESSING CO., LTD.

Audit Committee Review Report

The Board of Directors of FORMOSA OILSEED PROCESSING CO., LTD. has compiled and submitted the Company's Business Report for 2022 and Financial Statements; among which contain Financial Reports audited and attested by CPAs Liao, Wan-Yi and Chen, Zhao-Mei of Deloitte & Touche, with audit report issued. The aforesaid Business Report and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee of FORMOSA OILSEED PROCESSING CO., LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

To

FORMOSA OILSEED PROCESSING CO., LTD.

2023 Regular Shareholders' Meeting

FORMOSA OILSEED PROCESSING CO., LTD.

Convener of Audit Committee: Lu, Hsin-Hwa

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(2) Earnings Distribution Motion Review Report

FORMOSA OILSEED PROCESSING CO., LTD.

Audit Committee Review Report

The Board of Directors of FORMOSA OILSEED PROCESSING CO., LTD. has compiled and submitted the Company's earnings distribution motion for 2022, which have been reviewed and determined to be correct and accurate by the Audit Committee of FORMOSA OILSEED PROCESSING CO., LTD. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, I hereby submit this report.

To
FORMOSA OILSEED PROCESSING CO., LTD.
2023 Regular Shareholders' Meeting

FORMOSA OILSEED PROCESSING CO., LTD.
Convener of Audit Committee: Lu, Hsin-Hwa

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【Matters for Report】

Case 3. To Report Employee's and Directors' Remuneration Distribution of the Company for 2022.

Explanation: The Company distributed profit in 2022 to Employee's remuneration in NTD 9,427,787 and Director's remuneration in NTD 9,428,787, which is all distributed in cash.

【Matters for Report】

Case 4. To Report Cash Dividends Distribution in 2022.

Explanation:

1. The Company plans to appropriate NTD 328,054,577 as cash dividends from distributable earnings in 2022, paying dividends of NTD 1.5 per share and rounding down to dollars, fractional shares are accounted into the Company's other revenue.
2. In the dividend's distribution resolution, the Board of Directors will establish the ex-dividend date, the distribution date, and other related matters.
3. If the dividend's distribution changes due to the Company's Equity alteration, affecting the outstanding share amount and altering the dividend rate, the Board of Directors will take full charge of managing it under the Company Act or other related laws and regulations.

【Matter for Report】

Case 5. To Report the Company's Endorsement/Guarantees.

Explanation:

1. The Company's Endorsement/Guarantees as of December 31, 2022 is as follows:

Counterparty	Endorsement/Guarantee Amount (NTD Thousand)
TOP FOOD INDUSTRY CORPORATION (Note)	3,280,000

(Note) TOP FOOD INDUSTRY CORPORATION is a subsidiary of the Company, with 63.16% of the shares held by the Company. An endorsement/guarantee at NTD 3,280,000 thousand was made to TOP FOOD by the Company due to business needs.

2. Limits as computed per Operational Procedure for Endorsement/Guarantee of the Company are as follows:
 - (1) The limit for total endorsement/guarantee by the Company is NTD 4,167,450 thousand.
 - (2) The limit for endorsement/guarantee to a single domestic enterprise is NTD 3,472,875 thousand.
 - (3) The aforementioned limits are computed based on shareholders' equity as disclosed in the Company's financial statements ending on December 31, 2022.

Matters for Ratification

【Matters for Ratification】

Case 1

Proposed by the Board

Summary: To ratify Business Report of 2022 and Parent-Company Only and Consolidated Financial Statements.

Explanation:

1. The Company's Business Report of 2022 as well as Parent-Company Only and Consolidated Financial Statements including balance sheet, statement of comprehensive income, statement of changes in equity and statement of cash flows audited and attested by CPAs Liao, Wan-Yi and Chen, Zhao-Mei of Deloitte & Touche have been submitted to and were, after review, determined to be correct and accurate by the Audit Committee of FORMOSA OILSEED PROCESSING CO., LTD. The reviewed report and statements are submitted to this regular shareholders' meeting for ratification.
2. The aforementioned reports and statements are attached in Appendices 1, 2 and 3. (Pages 19 to 40 of this Meeting Agenda Handbook).
3. For your ratification.

Resolution:

【Matters for Ratification】

Case 2

Proposed by the Board

Summary: To ratify Earnings Distribution of 2022.

Explanation:

1. The Company's net income after tax in 2022 is NTD 368,992,556, and an earnings distribution in accordance with the Company's Articles of Incorporation is proposed as follows:

FORMOSA OILSEED PROCESSING CO., LTD.

Table for Earnings Distribution

2022

Unit: NTD

Item	Amount	
Amounts Distributable		381,459,999
Add: 2022 Net Income after Tax	368,992,556	
Add: Actuarial Gains Recognized as Retained Earnings	9,987,723	
Less: 10% Legal Reserve	(37,898,028)	341,082,251
Distributable Retained Earnings		722,542,250
Less: Distributed Items		
Cash Dividend (NTD 1.50 per Share)	(328,054,577)	
Stock Dividend (NTD 0.50 per Share)	(109,351,530)	(437,406,107)
Undistributed Retained Earnings		285,136,143

Chairman: Shu, Yi-Cheun Manager: Shu, Yi-Cheun Accounting Manager: Lin, Fang-Ru

2. In the earnings distribution resolution, distributing earnings of 2022 is proposed, an insufficient amount will be coped with the undistributed earnings of the previous year.
3. For your ratification ◦

Resolution:

Matters for Discussion

【Matters for Ratification】

Case 1

Proposed by the Board

Summary: To discuss the resolution of new share issue through capital increase out of retained earnings

Explanation:

1. To enrich capital and fortify financial structure, the Company proposed to appropriate NTD 109,351,530 from distributable earnings to increase capital and issue 10,935,153 new stocks, with a face value of NTD 10.00 per stock.
2. The capital increases out of retained earnings to issue new stocks will be distributed by the rate documented in the shareholders' roster at the distribution date, and earnings are distributed at 50 shares per thousand shares.
3. When distributed fractional share is insufficient for a whole share, the Shareholder will have to conduct a round-up to a whole share at the Company's stock affair agency within five days from the date of shares stop transferring when ex-right. The fractional share unable to be rounded up to a whole share is distributed in cash by its face value at the nearest whole dollar and authorizes the Chairman to arrange to buy at face value with specific personnel. For every Shareholder that participated in share distribution through a book-entry transfer with a fractional share not sufficient for a whole share, the fractional share will be used as the conducting fee of the book-entry transfer.
4. The new shares issued from the capital increase have equal rights, interests, and obligations with formerly issued shares.
5. The new shares issued through capital increase is after passed in the shareholders' meeting and reported to and approved by authorities, then authorized to the Board of Directors to establish ex-dividends (capital increase) date and related matters. If changes in the Company's equity affected the number of outstanding shares leading to alterations in the shareholding rate of shareholders, the Board of Directors is authorized to manage it under the Company Act and related laws and regulations in full charge.
6. For your discussion.

Resolution:

【Matters for Discussion】

Case 2

Proposed by the Board

Summary: To discuss the amendment to partial articles of the Company's "Articles of Incorporation".

Explanation:

1. In accordance with amendments to the actual needs, partial articles of the Company's "Articles of Incorporation" are amended.
2. The Comparison Table for "Articles of Incorporation" Before and After Amendment is attached in Appendix 4. (Page 41 of this Meeting Agenda Handbook).
3. For your discussion.

Resolution:

【Matters for Discussion】

Case 3

Proposed by the Board

Summary: To discuss the amendment to partial articles of the Company's "Rules of Procedure for Shareholders' Meeting".

Explanation:

1. In accordance with 17 March 2023 Letter No. Taiwan Stock Governance 1120004167 of the Taiwan Stock Exchange Corporation, partial articles of the Company's "Rules of Procedure for Shareholders' Meeting" are amended.
2. The Comparison Table for "Rules of Procedure for Shareholders' Meeting" Before and After Amendment is attached in Appendix 5.
(Page 42 of this Meeting Agenda Handbook).
3. For your discussion.

Resolution:

Extempore Motion

Adjournment

Appendices

【Appendix 1】

FORMOSA OIL SEED PROCESSING CO., LTD. BUSINESS REPORT OF 2022

1. Management Guideline:

The Company engages mainly in processing of bulk grains including soybean oil, soybean powder, palm oil, cereal mixed feed, etc. made from raw materials matrix composed of soybean, corn, barley, wheat, etc. procured from the US, Brazil, Argentina and Australia, accounting for 80% of the total cost. The Company shall therefore grasp on trends for international raw material price and make timely adjustments to storage position to maximize storage management effectiveness. In terms of sales, in addition to cultivation in the existing commodity market, the Company makes active expansion to the overseas market with a view to integrate the group's resources utilization and attain overall marketing of business for the optimal profit.

2. Implementation Results of Business Plans:

- (1) The Company's Net Operating Revenue in 2022 is NTD 11,449,824 thousand, 19.89% more compared to that in 2021 at NTD 9,550,336 thousand; Gross Profit of the Company in 2022 is NTD 797,104 thousand, 1.38% more compared to that in 2021 at NTD 786,280 thousand; Profit Before Tax is NTD 452,583 thousand, 16.02% less compared to that in 2021 at NTD 538,897 thousand.
- (2) The Company's internal budget achievement in 2022 is as follows: for Operating Revenue, the estimate was NTD 9,307,300 thousand, with the actual figure reaching NTD 11,449,824 thousand and an achieving rate of 123.02%; for Gross Profit, the estimate was NTD 638,860 thousand, with the actual figure reaching NTD 797,104 thousand and an achieving rate of 124.77%; for the budget of non-operating income/expense, the proposed number was a net income at NTD 88,404 thousand, with the actual figure reaching NTD 58,391 thousand and an achieving rate of 66.05%; for Profit Before Tax, the estimate was NTD 339,607 thousand, with the actual figure reaching NTD 452,583 thousand and an achieving rate of 133.27%.

(3) Operating Income/Expense and Profitability:

Unit: NTD thousands

Item		Year	2022	2021	Add (Less) %
Operating Income/ Expense	Operating Revenue		11,449,824	9,550,336	19.89
	Operating Cost		10,652,494	8,763,985	21.55
	Gross Profit		797,104	786,280	1.38
	Profit Before Tax		452,583	538,897	(16.02)
Profitability	Return on Assets (%)		5.61	7.24	(22.51)
	Return on Equity (%)		10.67	13.45	(20.67)
	Ratio to Paid-in Capital (%)	Operating Profit	18.02	18.34	(1.74)
		Income Before Tax	20.69	24.64	(16.03)
	Profit/Loss Margin Before Tax (%)		3.22	4.74	(32.07)
	Earnings/Loss per Share (NTD)		1.69	2.07	(18.36)

(4) Prospect in 2023:

With global economic growth in 2022 slowing down, major countries' performance financially is not ideal. In the outlook of 2023, influences from interest-raising, geopolitics, and climate change are expected. Though operation risks are full of uncertainties, the Company will strive to lower the impact of international exchange rates and fluctuation of the food price to achieve a stable supply.

At the end of the post-pandemic era, following the restricted measures started loosening and domestic demand activities progressively went down, retail catering and tourism have a promising future, with the Company's new food oil refinery in the port district of Taichung already committed to mass production, availability and oil quality all improved. The Company shall grasp the chance and advantage of domestic and international sales and actively and diversely explore other selling routes besides existing edible oil customers to display better operating performance.

With ESG and The Act Governing Food Safety and Sanitation becoming increasingly strict in recent years, the Company has activated greenhouse gas examination projects and acquired Taiwan Quality Food certification (TQF), pursuing operating growth along with enhancing food safety, holding the ideology of "Sustainable health to create a brighter future," creating long-term corporation value.

Chairman: Shu, Yi-Cheun Manager: Shu, Yi-Cheun Accounting Manager: Lin, Fang-Ru

【Appendix 2】 (Parent Company-Only Financial Statements) Accountant's Audit Report

Formosa Oilseed Processing Co., Ltd. (FOPCO):

Opinion

FOPCO's individual balance sheets for December 31, 2022 and 2021, and individual statements of comprehensive income from January 1 to December 31, 2022 and 2021, individual statements of changes in equity, individual statements of cash flows, and notes for individual financial statements (including summaries for significant accounting policies), have already been audited by the Accountant.

According to the Accountant's opinion, the preparation of all significant aspects of the above-mentioned individual financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities. It is sufficient to appropriately express FOPCO's individual financial situation for December 31, 2022 and 2021, and its individual financial performance and individual cash flow from January 1 to December 31, 2022 and 2021.

The Basis of Opinion

The Accountant referred to the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the Standards on Auditing to execute the audit. The Accountant's responsibilities under such standards will be further elaborated in the section regarding the accountants' responsibilities for auditing financial statements. The Accountant is independent of the Company in accordance to the code of ethics for accountants while performing other duties under such regulations. The Accountant believes there is sufficient and appropriate evidence obtained for auditing as the basis of opinion for auditing.

Key Audit Matters

Key Audit Matters (KAMs) refers to the most important matters that, to the Accountant's professional judgment, found in FOPCO's 2022 individual financial statements audits. Such matters have been addressed to during the general forming process of the opinion for individual financial statements audit. The Accountant did not express separate opinions regarding such matters.

KAMs regarding FOPCO's 2022 individual financial statements are stated as follow:

Depreciation of Inventories

FOPCO measures its cost of inventories by the lower of cost and net realizable value. When comparing the cost of sales and net realizable value (NRV), apart from inventories with the same classification, FOPCO measures on the basis of individual items of inventories. For related accounting policies, please refer to notes 4(5) and 5 for individual financial statements.

As of December 31, 2022, the amount for FOPCO's in-transit inventory and raw material is NTD 1,119,325 thousands (refer to note 9), which accounts for 16% of total assets, and 82% of net inventory value for the individual financial statement for December 31, 2022. Of which, its costs and related selling price are influenced by global raw material prices, which is possible for violent fluctuations, and will result in the risk of having the raw materials NRV lower than the carrying amount. Owing to the regulation for management level's reference to IAS 2 "inventory" to evaluate the NRV for inventories as mentioned above, there involved estimation and judgment, of which its judgment results directly influenced the recognition of profit and loss amount, it is listed as part of KAMs.

In response to the KAMs mentioned above, the Accountant executed the major audit process as follow:

1. Understand and test FOPCO's status of execution for its review of estimation for NRV, in order to evaluate its operational efficacy for its internal control system, and to evaluate the appropriateness of its decision method for its NRV, as well as to confirm that the inventory has been calculated by the lower of cost and net realizable value.
2. Obtain latest raw material quotation or sales invoice, etc. through sampling so as to verify that there is no significant inconsistency between the NRV and its reference price, and recalculated its inventory value in order to evaluate the appropriateness of its basis of opinion.

Management Level and Governing Body's Responsibilities for Financial Statements

The management level's responsibilities are to prepare appropriately expressed individual financial statements by referring to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and to maintain necessary internal control related to the preparation of individual financial statements, so as to confirm that there is no misstatement due to fraud or errors in the individual financial statements.

When preparing individual financial statements, the responsibilities for the management level also include the evaluation of FOPCO's operating abilities, the disclosure of related matters, and the adoption of going-concern accounting basis. Unless the management level intends to liquidate FOPCO or to terminate business operation, or apart from liquidating or terminating the business operation, there is no other feasible solution.

The governing body of FOPCO (including the Audit Committee) has the responsibility to supervise the financial reporting process.

Responsibilities for Accountants' Auditing of Individual Financial Statements

The purpose for the Accountant's auditing of individual financial statements is to obtain reasonable assurance about whether or not there are any significant misstatements due to fraud or errors in the individual financial statement in general, and to issue an audit report. Reasonable assurance is a high level of assurance. However, there is no guarantee that significant misstatements can be detected with the audit work performed in accordance with Standards on Auditing. Misstatements can be caused by fraud or error. If the misstatement for individual amount or aggregate could reasonably be expected to influence the economic decisions made by individual financial statements' users, it is considered significant.

When the Accountant audits according to the Standards on Auditing, the Accountant uses his/her professional judgment and professional skepticism. The Accountant also performs the duties as follow:

1. Identify and evaluate the risk of significant misstatements caused by fraud or error in individual financial statements; Design and execute appropriate responding strategies for the evaluated risks; obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since fraud might involve collusion, forgery, intentional omission, false statement, or violations of internal control, the risk of undetected significant misstatements due to fraud is higher than that of error.
2. Acquire necessary understandings for internal control that is related to auditing, so as to design appropriate audit process that are suitable for the situation. However, its purpose is not to express opinion on FOPCO's efficacy for internal control.
3. Evaluate the appropriateness of accounting policies adopted by the management level, and the reasonableness of its estimation and related disclosure as accountant.
4. Based on the obtained audit evidence, to make conclusions on the appropriateness of implementing going concern accounting basis on the management level, and whether or not there are significant uncertainties in matters or circumstances that may cause significant doubts on FOPCO's going concern abilities. Shall the Accountant believe there exists significant uncertainties in such matters or circumstances, the Accountant shall remind the individual financial statements' users to pay attention to the individual financial statements' related disclosure in the audit report, or to amend audit opinion when such disclosure is considered inappropriate. The Accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future matters or circumstances may result in FOPCO's no longer having going concern abilities.
5. Evaluate the general expression, structure, and content of individual financial statements (including related notes), as well as whether the individual financial statements appropriately expressed related transactions and matters.

6. Obtain sufficient and appropriate audit evidence about the individual financial information formed within FOPCO, so as to express opinion about individual financial statements. The Accountant is responsible for the guidance, supervision, and execution of the auditing case, and is also responsible for forming auditing opinion for FOPCO.

The matters being communicated between the Accountant and the governing body include the planning of the range and time for the audit, and significant audit discoveries (including the significant lack of internal control identified during the audit process).

The Accountant also provides statements regarding the personals from the firm that the Accountant is affiliated to abide by related independence that complies with the code of ethics for accountants to the governing body. The Accountant communicates with the governing body about all possible relationships that may be considered to influence the accountant's independence, and other matters (including related protection measures).

The Accountant will decide the KAMs for the audit of FOPCO's 2022 individual financial statements from the Accountant's communication with the governing body. The Accountant will state such matters in the audit report. Unless regulations disapprove the disclosure of specific matters, or under rare circumstances, the Accountant decides not to communicate about certain matters in the audit report. This is because one can reasonably expect the negative impact that this communication brings is greater than the increased public interests.

Deloitte Touche Tohmatsu Limited
Accountant Liao, Wan-Yi

Accountant Chen, Zhao-Mei

Financial Supervisory Commission
Approval Number
No.
Financial-Supervisory-Securities-A
uditing-1010028123

Securities and Futures Commission Approval
Number
No.
Taiwan-Financial-Securities-VI-09201
23784

March 15, 2023

Formosa Oilseed Processing Co., Ltd.
Individual Balance Sheets
December 31, 2022 and 2021

Unit: NTD thousands

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current Assets					
1100	Cash (notes 4 & 6)	\$ 644,773	9	\$ 656,291	10
1136	Financial assets measured at amortized cost (notes 7 & 29)	-	-	96,705	2
1150	Notes receivable (notes 4, 8, and 21)	222,984	3	215,064	3
1160	Notes receivable – related parties (notes 4, 21, & 28)	4,650	-	2,904	-
1170	Accounts receivable (notes 4, 8, and 21)	676,106	10	580,344	8
1180	Accounts receivable – related parties (notes 4, 21, & 28)	535,611	8	501,830	7
1200	Other receivables (notes 4 & 8)	18,514	-	20,278	-
1210	Other receivables – related parties (note 28)	706	-	150,967	2
130X	Inventory (notes 4, 5, & 9)	1,373,247	19	1,167,541	17
1410	Prepayments (note 10)	<u>141,344</u>	<u>2</u>	<u>226,537</u>	<u>3</u>
11XX	Total current assets	<u>3,617,935</u>	<u>51</u>	<u>3,618,461</u>	<u>52</u>
Non-current assets					
1550	Investments by equity method (notes 4 & 11)	1,129,631	16	1,176,631	17
1600	Property, plant, and equipment (notes 4, 12 & 29)	2,131,828	31	2,045,329	29
1755	ROU assets (notes 4 & 13)	148,817	2	141,112	2
1780	Intangible assets (notes 4 & 14)	993	-	-	-
1840	Deferred tax assets (notes 4 & 23)	14,080	-	12,972	-
1990	Other non-current assets (note 15)	<u>7,225</u>	<u>-</u>	<u>7,132</u>	<u>-</u>
15XX	Total non-current assets	<u>3,432,574</u>	<u>49</u>	<u>3,383,176</u>	<u>48</u>
1XXX	Total assets	<u>\$ 7,050,509</u>	<u>100</u>	<u>\$ 7,001,637</u>	<u>100</u>
Liabilities and Equity					
Current liabilities					
2100	Short-term loans (note 16 & 29)	\$ 1,681,662	24	\$ 1,802,755	26
2110	Short-term notes and bills payables (note 16)	-	-	229,908	3
2150	Notes payable (note 17)	4,842	-	5,036	-
2170	Accounts payable (note 17)	321,652	5	325,404	5
2180	Accounts payable – related parties (note 28)	82,344	1	91,979	1
2219	Other payables (note 18)	104,866	1	115,115	2
2230	Current tax liabilities (notes 4 & 23)	43,178	1	46,269	1
2280	Lease liabilities – current (notes 4 & 13)	7,925	-	6,750	-
2320	Long-term loans due within one year (notes 4, 16 & 29)	160,000	2	165,000	2
2399	Other current liabilities (note 21)	<u>1,352</u>	<u>-</u>	<u>4,942</u>	<u>-</u>
21XX	Total current liabilities	<u>2,407,821</u>	<u>34</u>	<u>2,793,158</u>	<u>40</u>
Non-current liabilities					
2540	Long-term loans (note 4, 16 & 29)	920,000	13	515,000	7
2580	Lease liabilities – non-current (notes 4 & 13)	143,718	2	136,179	2
2640	Net defined benefit liabilities (notes 4 & 19)	8,685	-	18,552	-
2645	Margin deposit	1,850	-	1,790	-
2570	Deferred tax liabilities (notes 4 & 23)	<u>95,560</u>	<u>2</u>	<u>96,172</u>	<u>2</u>
25XX	Total non-current liabilities	<u>1,169,813</u>	<u>17</u>	<u>767,693</u>	<u>11</u>
2XXX	Total liabilities	<u>3,577,634</u>	<u>51</u>	<u>3,560,851</u>	<u>51</u>
Equity					
3110	Ordinary share	<u>2,187,030</u>	<u>31</u>	<u>2,187,030</u>	<u>31</u>
3200	Capital reserves	<u>122,122</u>	<u>2</u>	<u>121,705</u>	<u>2</u>
Retained earnings					
3310	Statutory retained earnings	303,661	4	258,304	4
3320	Special retained earnings	200,454	3	200,454	3
3350	Undistributed earnings	<u>760,441</u>	<u>11</u>	<u>776,742</u>	<u>11</u>
3300	Total retained earnings	<u>1,264,556</u>	<u>18</u>	<u>1,235,500</u>	<u>18</u>
3400	Other equity interest	<u>(100,833)</u>	<u>(2)</u>	<u>(103,449)</u>	<u>(2)</u>
3XXX	Total equity	<u>3,472,875</u>	<u>49</u>	<u>3,440,786</u>	<u>49</u>
Total liabilities and equity		<u>\$ 7,050,509</u>	<u>100</u>	<u>\$ 7,001,637</u>	<u>100</u>

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.
Individual Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NTD thousands;
EPS in NTD

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (notes 4, 21 & 28)				
4110	Sales income	\$ 11,461,761	100	\$ 9,566,193	100
4170	Subtract: sales returns and allowances	<u>12,757</u>	-	<u>15,857</u>	-
4100	Net operating income	11,449,004	100	9,550,336	100
4600	Service revenue	<u>820</u>	-	<u>-</u>	-
4000	Total operating revenue	<u>11,449,824</u>	<u>100</u>	<u>9,550,336</u>	<u>100</u>
	Operating cost				
5110	Cost of sales (notes 9 & 28)	10,652,062	93	8,763,985	92
5600	Service costs	<u>432</u>	-	<u>-</u>	-
5000	Total operating cost	<u>10,652,494</u>	<u>93</u>	<u>8,763,985</u>	<u>92</u>
5900	Gross profit	797,330	7	786,351	8
5910	Unrealized profit with subsidiary companies and affiliated enterprises	(<u>226</u>)	-	(<u>71</u>)	-
5950	Realized gross profit	<u>797,104</u>	<u>7</u>	<u>786,280</u>	<u>8</u>
	Operating expenses (note 28)				
6100	Promotion expenses	270,275	3	248,766	3
6200	Management expenses	119,009	1	125,809	1
6300	Development expenses	14,009	-	10,800	-
6450	Expected loss of credit impairment (note 8)	<u>317</u>	-	<u>60</u>	-
6000	Total operating expenses	<u>403,610</u>	<u>4</u>	<u>385,435</u>	<u>4</u>
6510	Other net revenue and expenses (note 22)	<u>698</u>	-	<u>217</u>	-
6900	Net operating profit	<u>394,192</u>	<u>3</u>	<u>401,062</u>	<u>4</u>
	Non-operating income and expenses				
7070	Gains on subsidiary companies and affiliated enterprises, accounted for using equity method (note 4)	37,843	-	116,079	1

(next page)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7630	Foreign currency exchange net profit (note 22)	\$ 41,760	1	\$ 24,277	1
7100	Interest income	1,409	-	314	-
7110	Rent income (note 28)	314	-	247	-
7190	Other income (notes 28)	9,893	-	8,052	-
7510	Interest expense (note 22)	(31,204)	-	(10,947)	-
7520	Miscellaneous expense	(1,624)	-	(187)	-
7000	Total non-operating income and expenses	<u>58,391</u>	<u>1</u>	<u>137,835</u>	<u>2</u>
7900	Profit before tax	452,583	4	538,897	6
7950	Income tax fees (notes 4 & 23)	<u>83,589</u>	<u>1</u>	<u>85,785</u>	<u>1</u>
8200	Net profit	<u>368,994</u>	<u>3</u>	<u>453,112</u>	<u>5</u>
	Other comprehensive income				
8310	Items not reclassified under profit and loss:				
8311	Remeasurements of defined benefit plan (notes 4 & 19)	9,477	-	1,098	-
8330	Share of affiliated enterprises' other comprehensive income, accounted for using equity methods (note 4)	<u>510</u>	<u>-</u>	(<u>639</u>)	<u>-</u>
		<u>9,987</u>	<u>-</u>	<u>459</u>	<u>-</u>
8360	Items that may be reclassified under profit and loss afterwards:				
8361	Exchange difference after conversion of foreign operations' financial statements (note 4)	<u>2,616</u>	<u>-</u>	(<u>5,014</u>)	<u>-</u>
8300	Total other (net) comprehensive income	<u>12,603</u>	<u>-</u>	(<u>4,555</u>)	<u>-</u>
8500	Total comprehensive income	<u>\$ 381,597</u>	<u>3</u>	<u>\$ 448,557</u>	<u>5</u>
	EPS (note 24)				
9710	Basic	<u>\$ 1.69</u>		<u>\$ 2.07</u>	
9810	Diluted	<u>\$ 1.69</u>		<u>\$ 2.07</u>	

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.
Individual Statements of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousands;
EPS in NTD

Code		Ordinary Shares (note 20)		Retained Earnings (note 20)			Other Equity		
		No. of Shares (1000)	Amount	Capital Surplus (note 20)	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange difference converted in foreign operating institutions' financial statements	Total Equity
A1	January 1, 2021 Balance	<u>218,703</u>	<u>\$ 2,187,030</u>	<u>\$ 121,015</u>	<u>\$ 220,476</u>	<u>\$ 200,454</u>	<u>\$ 667,183</u>	<u>(\$ 98,435)</u>	<u>\$ 3,297,723</u>
	2020 Earnings Appropriation and Disposition								
B1	Legal Reserve	-	-	-	37,828	-	(37,828)	-	-
B5	Shareholders' cash dividend – NTD 1.40 per share	-	-	-	-	-	(306,184)	-	(306,184)
		-	-	-	<u>37,828</u>	-	<u>(344,012)</u>	-	<u>(306,184)</u>
C17	Shareholder's overdue unclaimed dividends	-	-	<u>690</u>	-	-	-	-	<u>690</u>
D1	2021 net profit	-	-	-	-	-	453,112	-	453,112
D3	2021 other comprehensive income	-	-	-	-	-	459	(5,014)	(4,555)
D5	2021 total comprehensive income	-	-	-	-	-	<u>453,571</u>	<u>(5,014)</u>	<u>448,557</u>
Z1	December 31, 2021 Balance	<u>218,703</u>	<u>2,187,030</u>	<u>121,705</u>	<u>258,304</u>	<u>200,454</u>	<u>776,742</u>	<u>(103,449)</u>	<u>3,440,786</u>
	2021 Earnings Appropriation and Disposition								
B1	Legal reserve	-	-	-	45,357	-	(45,357)	-	-
B5	Shareholders' cash dividend – NTD 1.60 per share	-	-	-	-	-	(349,925)	-	(349,925)
		-	-	-	<u>45,357</u>	-	<u>(395,282)</u>	-	<u>(349,925)</u>
C17	Shareholder's overdue unclaimed dividends	-	-	<u>417</u>	-	-	-	-	<u>417</u>
D1	2022 net profit	-	-	-	-	-	368,994	-	368,994
D3	2022 other comprehensive income	-	-	-	-	-	9,987	2,616	12,603
D5	2022 total comprehensive income	-	-	-	-	-	<u>378,981</u>	<u>2,616</u>	<u>381,597</u>
Z1	December 31, 2022 balances	<u>218,703</u>	<u>\$ 2,187,030</u>	<u>\$ 122,122</u>	<u>\$ 303,661</u>	<u>\$ 200,454</u>	<u>\$ 760,441</u>	<u>(\$ 100,833)</u>	<u>\$ 3,472,875</u>

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.
Individual Statements of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		2022	2021
	Cash flows for operating activities		
A10000	Profit before tax	\$ 452,583	\$ 538,897
A20010	Profit and loss items		
A20100	Depreciation expense	59,638	29,357
A20200	Amortization expense	42	999
A20300	Expected loss of credit impairment	317	60
A20900	Interest expense	31,204	10,947
A21200	Interest income	(1,409)	(314)
A22300	Gain on subsidiary companies and affiliated enterprises accounted for using equity method	(37,843)	(116,079)
A22500	Gain on disposal of property, plant, and equipment	(698)	(217)
A23700	Inventory falling price loss	6,864	672
A23900	Unrealized sales profit with subsidiary companies and affiliated enterprises	226	71
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	(7,920)	(83,953)
A31140	Notes receivable – related parties	(1,746)	280
A31150	Accounts receivable	(95,937)	(163,055)
A31160	Accounts receivable – related parties	(33,781)	(197,316)
A31180	Other receivables	1,756	9,814
A31190	Other receivables – related parties	150,261	337,590
A31200	Inventory	(212,570)	(599,153)
A31230	Prepayments	85,186	(32,115)
A31240	Other current assets	-	34
A32130	Notes payable	(194)	(132)
A32150	Accounts payable	(3,752)	124,237
A32160	Accounts payable – related parties	(9,635)	49,192
A32180	Other payables	(782)	12,923
A32230	Other current liabilities	(3,590)	3,722
A32240	Net defined benefit liabilities	(390)	(308)
A33000	Cash from operating activities	377,830	(73,847)
A33100	Interest income	934	175

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(Continued)

Code		2022	2021
A33300	Interest expenses	(\$ 31,002)	(\$ 10,275)
A33500	Tax expenses	(88,400)	(88,491)
AAAA	Net cash inflow (outflow) from operating activities	<u>259,362</u>	(<u>172,438</u>)
	Investment cash flows		
B00040	Financial assets gained at amortized cost	-	(96,705)
B00050	Disposal of financial assets at amortized cost	96,705	-
B02700	Obtainment of property, plant, and equipment (note 25)	(148,125)	(228,072)
B02800	Disposal of property, plant, and equipment cost	762	-
B03700	Increase of guarantee deposits paid	-	(2,543)
B04500	Purchasing of intangible assets	(1,028)	-
B06700	Decrease (increase) of other non-current assets	35	(1,113)
B07500	Interest income	483	130
B07600	Dividend gained from subsidiary companies and affiliated enterprises	<u>87,962</u>	<u>95,521</u>
BBBB	Net cash inflow (outflow) from investing activities	<u>36,794</u>	(<u>232,782</u>)
	Financing activities cash flows		
C00100	Increase (decrease) of short-term loans	(121,093)	1,031,482
C00500	Increase (decrease) of short-term notes payable	(230,000)	60,000
C01600	Long-term loans	1,450,000	405,000
C01700	Repayment of long-term loans	(1,050,000)	(660,000)
C03000	Increase of margin deposit	60	1,769
C04020	Repayment of lease liabilities principal	(6,991)	(6,441)
C04500	Issuance of cash dividend	(349,925)	(306,184)
C05700	Shareholder's overdue unclaimed dividends	<u>417</u>	<u>690</u>
CCCC	Net cash (out)flows on financing activities	(<u>307,532</u>)	<u>526,316</u>
DDDD	Impact owing to fluctuation in exchange	(<u>142</u>)	<u>78</u>
EEEE	Net increase (decrease) in cash	(11,518)	121,174
E00100	BOY cash balance	<u>656,291</u>	<u>535,117</u>
E00200	Year-end cash balance	<u>\$ 644,773</u>	<u>\$ 656,291</u>

The notes attached are part of this individual financial statement.

【Appendix 3】 (Consolidated Financial Statement) Accountant's Audit Report

Formosa Oilseed Processing Co., Ltd. (FOPCO):

Opinion

The consolidated balance sheets for December 31, 2022 and 2021 for FOPCO and its subsidiary company (Formosa Group), and their consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flow, and notes for consolidated financial statements (including summaries for significant accounting policies) from January 1 to December 31, 2022 and 2021, have already been audited by the Accountant.

According to the Accountant's opinion, the preparation of all significant aspects of the above-mentioned consolidated financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities, and International Financial Reporting Standards, International Accounting Standards, interpretations, and SIC that are approved and published as effective by the Financial Supervisory Commission. It is sufficient to appropriately express the Formosa Group's consolidated financial situation for December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flow from January 1 to December 31, 2022 and 2021.

The Basis of Opinion

The Accountant referred to the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the Standards on Auditing to execute the audit. The Accountant's responsibilities under such standards will be further elaborated in the section regarding the accountants' responsibilities for auditing consolidated financial statements. The Accountant is independent of the Consolidated Company in accordance to the code of ethics for accountants, and remain detached with the Formosa Group while performing other duties under such regulations. The Accountant believes there is sufficient and appropriate evidence obtained for auditing as the basis of opinion for auditing.

Key Audit Matters (KAMs)

Key Audit Matters (KAMs) refers to the most important matters that, to the Accountant's professional judgment, finds in Formosa Group's 2022 consolidated financial statements audits. Such matters have been addressed to during the general forming process of the opinion for consolidated financial statements audit. The Accountant did not express separate opinions regarding such matters.

KAMs regarding Formosa Group's 2022 consolidated financial statements are stated as follow:

Depreciation of Inventories

The Formosa Group measures its cost of inventories by the lower of cost and net realizable value. When comparing the cost of sales and net realizable value (NRV), apart from inventories with the same classification, the Formosa Group measures on the basis of individual items of inventories. For related accounting policies, please refer to notes 4(6) and 5 for consolidated financial statements.

As of December 31, 2022, the amount for the Formosa Group's in-transit inventory and raw material is NTD 1,772,956 thousands (refer to note 9), which accounts for 19% of total assets, and 81% of net inventory value for the consolidated financial statement for December 31, 2022. Of which, its costs and related selling price are influenced by global raw material prices, which is possible for violent fluctuations, and will result in the risk of having the raw materials NRV lower than the carrying amount. Owing to the regulation for management level's reference to IAS 2 "inventory" to evaluate the NRV for inventories as mentioned above, there involved estimation and judgment, of which its judgment results directly influenced the recognition of profit and loss amount, it is listed as part of KAMs.

In response to the KAMs mentioned above, the Accountant executed the major audit process as follow:

1. Understand and test the Formosa Group's status of execution for its review of estimation for NRV, in order to evaluate its operational efficacy for its internal control system, and to evaluate the appropriateness of its decision method for its NRV, as well as to confirm that the inventory has been calculated by the lower of cost and net realizable value.
2. Obtained latest raw material quotation or sales invoice, etc. through sampling so as to verify that there is no significant inconsistency between the NRV and its reference price, and recalculated its inventory value in order to evaluate the appropriateness of its basis of opinion.

Other Matters

Formosa Oilseed Processing Co., Ltd had already prepared consolidated financial statements for 2022 and 2021, and the Accountant had issued unqualified opinion audit report as on record for reference.

Management Level and Governing Body's Responsibilities for Financial Statements

The management level's responsibilities are to prepare appropriately expressed consolidated financial statements by referring to "Regulations Governing the Preparation of Financial Reports by Securities Issuers," and International Financial Reporting Standards, International Accounting Standards, interpretations, and SIC that are approved and published as effective by the Financial Supervisory Commission, to maintain necessary internal control related to the preparation of consolidated financial statements, so as to confirm that there is no misstatement due to fraud or errors in the consolidated financial statements.

When preparing consolidated financial statements, the responsibilities for the management level also include the evaluation of the Formosa Group's operating abilities, the disclosure of related matters, and the adoption of going-concern accounting basis. Unless the management level intends to

liquidate the Formosa Group or to terminate business operation, or apart from liquidating or terminating the business operation, there is no other feasible solution.

The governing body of the Formosa Group (including the Audit Committee) has the responsibility to supervise the financial reporting process.

Responsibilities for Accountants' Auditing of Consolidated Financial Statements

The purpose for the Accountant's auditing of consolidated financial statements is to obtain reasonable assurance about whether or not there are any significant misstatements due to fraud or errors in the consolidated financial statement in general, and to issue an audit report. Reasonable assurance is a high level of assurance. However, there is no guarantee that significant misstatements can be detected with the audit work performed in accordance with Standards on Auditing. Misstatements can be caused by fraud or error. If the misstatement for individual amount or aggregate could reasonably be expected to influence the economic decisions made by consolidated financial statements' users, it is considered significant.

When the Accountant audits according to the Standards on Auditing, the Accountant uses his/her professional judgment and remains professional skepticism. The Accountant also performs the duties as follow:

1. Identify and evaluate the risk of significant misstatements caused by fraud or error in consolidated financial statements; Design and execute appropriate responding strategies for the evaluated risks; obtain sufficient and appropriate audit evidence as the basis for audit opinion. Since fraud might involve collusion, forgery, intentional omission, false statement, or violations of internal control, the risk of undetected significant misstatements due to fraud is higher than that of error.
2. Acquire necessary understandings for internal control that is related to auditing, so as to design appropriate audit process that are suitable for the situation. However, its purpose is not to express opinion on the Formosa Group's efficacy for internal control.
3. Evaluate the appropriateness of accounting policies adopted by the management level, and the reasonableness of its estimation and related disclosure as accountant.
4. Based on the obtained audit evidence, to make conclusions on the appropriateness of implementing going concern accounting basis on the management level, and whether or not there are significant uncertainties in matters or circumstances that may cause significant doubts on the Formosa Group's going concern abilities. Shall the Accountant believe there exists significant uncertainties in such matters or circumstances, the Accountant shall remind the consolidated financial statements' users to pay attention to the consolidated financial statements' related disclosure in the audit report, or to amend audit opinion when such disclosure is considered inappropriate. The Accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future matters or circumstances may result in the Formosa Group's no longer having going concern abilities.
5. Evaluate the general expression, structure, and content of consolidated financial statements (including related notes), as well as whether the consolidated financial statements appropriately expressed related transactions and matters.

6. Obtain sufficient and appropriate audit evidence about the individual financial information formed within the Formosa Group, so as to express opinion about consolidated financial statements. The Accountant is responsible for the guidance, supervision, and execution of the auditing case, and is also responsible for forming auditing opinion for the Formosa Group.

The matters being communicated between the Accountant and the governing body include the planning of the range and time for the audit, and significant audit discoveries (including the significant lack of internal control identified during the audit process).

The Accountant also provides statements regarding the personals from the firm that the Accountant is affiliated to abide by related independence that complies with the code of ethics for accountants to the governing body. The Accountant communicates with the governing body about all possible relationships that may be considered to influence the accountant's independence, and other matters (including related protection measures).

The Accountant will decide the KAMs for the audit of the Formosa Group's 2022 consolidated financial statements from the Accountant's communication with the governing body. The Accountant will state such matters in the audit report. Unless regulations disapprove the disclosure of specific matters, or under rare circumstances, the Accountant decides not to communicate about certain matters in the audit report. This is because one can reasonably expect the negative impact that this communication brings is greater than the increased public interests.

Deloitte Touche Tohmatsu Limited
Accountant Liao, Wan-Yi

Accountant Chen, Zhao-Mei

Financial Supervisory Commission
Approval Number
No.
Financial-Supervisory-Securities-A
uditing-1010028123

Securities and Futures Commission Approval
Number
No.
Taiwan-Financial-Securities-VI-09201
23784

March 15, 2023

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies
Consolidated Balance Sheets
December 31, 2022 and 2021

Unit: NTD thousands

Code	Assets	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (notes 4 & 6)	\$ 1,022,951	11	\$ 1,108,318	12
1136	Financial assets measured at amortized cost (notes 7 & 31)	-	-	97,830	1
1150	Notes receivable (notes 4, 8 & 23)	423,729	4	432,367	5
1160	Notes receivable – related parties (notes 4, 23 & 30)	87	-	194	-
1170	Accounts receivable (notes 4, 8 & 23)	1,299,430	14	1,136,075	13
1180	Accounts receivable – related parties (notes 4, 23 & 30)	358,128	4	362,459	4
1200	Other receivables (notes 4 & 8)	21,062	-	22,878	-
1210	Other receivables – related parties (notes 4 & 30)	40	-	-	-
1220	Current tax assets (notes 4 & 25)	12,231	-	998	-
130X	Inventory (notes 4, 5 & 9)	2,180,620	23	1,836,752	20
1410	Prepayments (note 10)	164,337	2	265,660	3
1479	Other current assets	-	-	1	-
11XX	Total current assets	<u>5,482,615</u>	<u>58</u>	<u>5,263,532</u>	<u>58</u>
	Non-current assets				
1535	Financial assets measured at amortized cost – non-current (notes 7 & 31)	39,500	1	34,500	-
1550	Investments by equity method (notes 4 & 12)	305,839	3	284,271	3
1600	Property, plant, and equipment (notes 4, 13 & 31)	3,286,771	35	3,235,510	36
1755	ROU assets (notes 4 & 14)	254,517	3	249,444	3
1780	Intangible assets (notes 4 & 15)	993	-	-	-
1830	Biological assets (notes 4 & 16)	8,771	-	4,366	-
1840	Deferred tax assets (notes 4 & 25)	35,693	-	14,588	-
1990	Other non-current assets (note 17)	26,464	-	22,957	-
15XX	Total non-current assets	<u>3,958,548</u>	<u>42</u>	<u>3,845,636</u>	<u>42</u>
1XXX	Total assets	<u>\$ 9,441,163</u>	<u>100</u>	<u>\$ 9,109,168</u>	<u>100</u>
	Liabilities and Equity				
	Current liabilities				
2100	Short-term loans (note 18 & 31)	\$ 2,938,026	31	\$ 2,682,234	29
2110	Short-term notes and bills payables (note 18)	109,936	1	449,817	5
2150	Notes payable (note 19)	7,240	-	8,630	-
2160	Notes payable – related parties (note 30)	33	-	77	-
2170	Accounts payable (note 19)	346,167	4	349,056	4
2180	Accounts payable – related parties (note 30)	7,577	-	27,647	-
2219	Other payables (note 20)	160,903	2	181,083	2
2230	Current tax liabilities (notes 4 & 25)	57,569	-	57,673	1
2280	Lease liabilities – current (notes 4, 14 & 30)	12,846	-	11,385	-
2320	Long-term loans due within one year (notes 4, 18 & 31)	161,818	2	167,000	2
2399	Other current liabilities (note 23)	3,778	-	8,387	-
21XX	Total current liabilities	<u>3,805,893</u>	<u>40</u>	<u>3,942,989</u>	<u>43</u>
	Non-current liabilities				
2540	Long-term loans (notes 4, 18 & 31)	1,429,364	15	935,000	10
2570	Deferred tax liabilities (notes 4 & 25)	95,560	1	96,172	1
2580	Lease liabilities – non-current (notes 4, 14 & 30)	247,437	3	242,221	3
2640	Net defined benefit liabilities (notes 4 & 21)	8,685	-	18,552	-
2645	Margin deposit	1,850	-	1,790	-
25XX	Total non-current liabilities	<u>1,782,896</u>	<u>19</u>	<u>1,293,735</u>	<u>14</u>
2XXX	Total liabilities	<u>5,588,789</u>	<u>59</u>	<u>5,236,724</u>	<u>57</u>
	Equity Attributed to the Owner(s) of the Parent Company				
3110	Ordinary share	2,187,030	23	2,187,030	24
3200	Capital reserves	122,122	1	121,705	1
	Retained earnings				
3310	Statutory retained earnings	303,661	4	258,304	3
3320	Special retained earnings	200,454	2	200,454	2
3350	Undistributed earnings	760,441	8	776,742	9
3300	Total retained earnings	<u>1,264,556</u>	<u>14</u>	<u>1,235,500</u>	<u>14</u>
3400	Other equity interest	(100,833)	(1)	(103,449)	(1)
31XX	Total equity for owner of parent company	<u>3,472,875</u>	<u>37</u>	<u>3,440,786</u>	<u>38</u>
36XX	Non-controlling interest	<u>379,499</u>	<u>4</u>	<u>431,658</u>	<u>5</u>
3XXX	Total equity	<u>3,852,374</u>	<u>41</u>	<u>3,872,444</u>	<u>43</u>
	Total liabilities and equity	<u>\$ 9,441,163</u>	<u>100</u>	<u>\$ 9,109,168</u>	<u>100</u>

The notes attached are part of this consolidated financial statement.

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Unit: NTD thousands;
EPS in NTD

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (notes 4, 23 & 30)				
4110	Sales income	\$ 15,328,557	100	\$ 13,161,755	100
4170	Subtract: sales returns and allowances	<u>57,009</u>	-	<u>59,709</u>	-
4100	Net operating income	15,271,548	100	13,102,046	100
4610	Service revenue	820	-	-	-
4660	Processing income	<u>1,993</u>	-	<u>1,908</u>	-
4000	Total operating revenue	<u>15,274,361</u>	<u>100</u>	<u>13,103,954</u>	<u>100</u>
	Operating cost				
5110	Cost of sales (notes 9 & 30)	14,303,646	94	11,967,774	91
5610	Service costs	432	-	-	-
5660	Processing costs	<u>1,018</u>	-	<u>918</u>	-
5000	Total operating cost	<u>14,305,096</u>	<u>94</u>	<u>11,968,692</u>	<u>91</u>
5850	Gains on initial recognition of agricultural products (note 16)	<u>31,452</u>	-	<u>21,838</u>	-
5900	Gross profit	1,000,717	6	1,157,100	9
5910	(Un)realized profit with affiliated enterprises	(<u>175</u>)	-	(<u>32</u>)	-
5950	Realized gross profit	<u>1,000,542</u>	<u>6</u>	<u>1,157,068</u>	<u>9</u>
	Operating expenses (note 30)				
6100	Promotion expenses	420,922	3	400,859	3
6200	Management expenses	180,446	1	189,595	2
6300	Research and development expenses	38,584	-	36,724	-
6450	Expected gain on reversal of credit impairment loss (note 8)	(<u>1,031</u>)	-	(<u>892</u>)	-
6000	Total operating expenses	<u>638,921</u>	<u>4</u>	<u>626,286</u>	<u>5</u>
6510	Other net revenue and expenses (note 24)	(<u>817</u>)	-	<u>55</u>	-
6900	Operating profit	<u>360,804</u>	<u>2</u>	<u>530,837</u>	<u>4</u>
	Non-operating income and expenses				
7060	Gains on affiliated enterprises, accounted for using equity method	57,233	1	42,018	1
7100	Interest income	3,697	-	3,975	-

(next page)

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
7230	Foreign currency exchange net profit (note 24)	\$ 51,446	-	\$ 39,490	-
7110	Rent income (note 30)	1,222	-	1,122	-
7190	Other income	3,853	-	4,632	-
7510	Interest expense (notes 24 & 30)	(54,903)	-	(25,342)	-
7590	Miscellaneous expense	(1,625)	-	(187)	-
7000	Total non-operating income and expenses	<u>60,923</u>	<u>1</u>	<u>65,708</u>	<u>1</u>
7900	Profit before tax	421,727	3	596,545	5
7950	Income tax fees (notes 4 & 25)	<u>74,580</u>	<u>1</u>	<u>109,698</u>	<u>1</u>
8200	Net profit	<u>347,147</u>	<u>2</u>	<u>486,847</u>	<u>4</u>
	Other comprehensive income				
8310	Items not reclassified under profit and loss				
8311	Remeasurements of defined benefit plan (note 4 & 21)	9,477	-	1,098	-
8320	Other comprehensive income of affiliated enterprises, accounted for using equity method	<u>510</u>	<u>-</u>	(<u>639</u>)	<u>-</u>
		<u>9,987</u>	<u>-</u>	<u>459</u>	<u>-</u>
8360	Items that may be reclassified under profit and loss afterwards				
8361	Exchange difference after conversion of foreign operations' financial statements	<u>2,616</u>	<u>-</u>	(<u>5,014</u>)	<u>-</u>
8300	Total other (net) comprehensive income	<u>12,603</u>	<u>-</u>	(<u>4,555</u>)	<u>-</u>
8500	Total comprehensive income	<u>\$ 359,750</u>	<u>2</u>	<u>\$ 482,292</u>	<u>4</u>
	Net profit belongs to:				
8610	Owner(s) of parent company	\$ 368,994	2	\$ 453,112	4
8620	Non-controlling interest	(<u>21,847</u>)	<u>-</u>	<u>33,735</u>	<u>-</u>
8600		<u>\$ 347,147</u>	<u>2</u>	<u>\$ 486,847</u>	<u>4</u>
	Total comprehensive income belongs to:				
8710	Owner(s) of parent company	\$ 381,597	2	\$ 448,557	4
8720	Non-controlling interest	(<u>21,847</u>)	<u>-</u>	<u>33,735</u>	<u>-</u>
8700		<u>\$ 359,750</u>	<u>2</u>	<u>\$ 482,292</u>	<u>4</u>
	EPS (note 26)				
9710	Basic	<u>\$ 1.69</u>		<u>\$ 2.07</u>	
9810	Diluted	<u>\$ 1.69</u>		<u>\$ 2.07</u>	

The notes attached are part of this consolidated financial statement.

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Unit: NTD thousands;
EPS in NTD

		Equity that Belongs to Owner of Parent Company									
C o d e		Common Share Capital (note 22)		Preserved Earnings (note 22)			Other Equity	Total	Non-controlling interest (note 22)	Total Equity	
		No. of Shares (1000)	Amount	Capital Reserve (note 22)	Statutory Earnings Reserve	Special Earnings Reserve	Undistributed Earnings				Exchange difference converted in foreign operating institutions' financial statements
A1	Jan 1, 2021 balances	218,703	\$ 2,187,030	\$ 121,015	\$ 220,476	\$ 200,454	\$ 667,183	(\$ 98,435)	\$ 3,297,723	\$ 435,418	\$ 3,733,141
	Appropriation and distribution of earnings for 2020										
B1	Statutory earnings reserve	-	-	-	37,828	-	(37,828)	-	-	-	-
B5	Shareholder's cash dividend – NTD 1.40 per share	-	-	-	-	-	(306,184)	-	(306,184)	-	(306,184)
		-	-	-	37,828	-	(344,012)	-	(306,184)	-	(306,184)
C17	Shareholder's overdue unclaimed dividends	-	-	690	-	-	-	-	690	-	690
D1	2021 net profit	-	-	-	-	-	453,112	-	453,112	33,735	486,847
D3	2021 other comprehensive income	-	-	-	-	-	459	(5,014)	(4,555)	-	(4,555)
D5	2021 total comprehensive income	-	-	-	-	-	453,571	(5,014)	448,557	33,735	482,292
O1	Net decrease in non-controlling interest	-	-	-	-	-	-	-	-	(37,495)	(37,495)
Z1	Dec 31, 2021 balances	218,703	2,187,030	121,705	258,304	200,454	776,742	(103,449)	3,440,786	431,658	3,872,444
	Appropriation and distribution of earnings for 2021										
B1	Statutory earnings reserve	-	-	-	45,357	-	(45,357)	-	-	-	-
B5	Shareholder's cash dividend – NTD 1.60 per share	-	-	-	-	-	(349,925)	-	(349,925)	-	(349,925)
		-	-	-	45,357	-	(395,282)	-	(349,925)	-	(349,925)
C17	Shareholder's overdue unclaimed dividends	-	-	417	-	-	-	-	417	-	417
D1	2022 net profit	-	-	-	-	-	368,994	-	368,994	(21,847)	347,147
D3	2022 other comprehensive income	-	-	-	-	-	9,987	2,616	12,603	-	12,603
D5	2022 total comprehensive income	-	-	-	-	-	378,981	2,616	381,597	(21,847)	359,750
O1	Net decrease in non-controlling interest	-	-	-	-	-	-	-	-	(30,312)	(30,312)
Z1	Dec 31, 2022 balances	218,703	\$ 2,187,030	\$ 122,122	\$ 303,661	\$ 200,454	\$ 760,441	(\$ 100,833)	\$ 3,472,875	\$ 379,499	\$ 3,852,374

The notes attached are part of this consolidated financial statement.

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies
Consolidated Statement of Cash Flows
January 1 to December 31, 2022 and 2021

Unit: NTD thousands

Code		2022	2021
	Cash Flow for Operating Activities		
A10000	Net profit before tax	\$ 421,727	\$ 596,545
A20010	Income and expenses items		
A20100	Depreciation expense	174,986	127,645
A20200	Amortization expense	2,811	3,299
A20300	Expected credit impairment loss reversal benefits	(1,031)	(892)
A20900	Interest expense	54,903	25,342
A21200	Interest income	(3,697)	(3,975)
A22300	Gains on affiliated enterprises accounted for using equity method	(57,233)	(42,018)
A29900	Gains on originally recognized agricultural products	(31,452)	(21,838)
A22500	Disposal of gains on property, plant and equipment	(515)	(55)
A22900	Disposal of loss on biological assets	1,332	-
A23700	Inventory falling price loss	7,445	2,005
A23900	Unrealized selling profits with affiliated enterprises	175	32
A30000	Net variables of operating assets and liabilities		
A31130	Notes receivable	8,638	(83,546)
A31140	Notes receivable – related parties	107	7,835
A31150	Accounts receivable	(162,182)	(324,625)
A31160	Accounts receivable – related parties	4,331	(128,945)
A31180	Other receivables	1,803	10,773
A31190	Other receivables– related parties	(40)	-
A31200	Inventory	(319,861)	(740,286)
A31230	Prepayments	98,554	(50,990)
A31240	Other current assets	1	33
A32130	Notes payable	(1,390)	(431)
A32140	Notes payable – related parties	(44)	77
A32150	Accounts payable	(2,889)	122,984
A32160	Accounts payable – related parties	(20,070)	22,966
A32180	Other payables	(13,149)	12,699
A32210	Receipts in advance	(4,599)	722
A32230	Other current liabilities	(10)	383
A32240	Net defined benefit liabilities	(390)	(308)
A33000	Cash generated from operations	158,261	(464,569)

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(Continued)

Code		2022	2021
A33100	Interest income	\$ 2,361	\$ 1,952
A33300	Interest expense	(53,454)	(24,703)
A33500	Income tax expense	(<u>107,705</u>)	(<u>112,094</u>)
AAAA	Net cash inflow (outflow) from operating activities	(<u>537</u>)	(<u>599,414</u>)
	Investment activities cash flow		
B00040	Financial assets obtained at amortized cost	(5,000)	(107,330)
B00050	Disposal of financial assets at amortized cost	97,830	197,968
B02700	Obtained property, plant and equipment (note 27)	(202,423)	(317,649)
B02800	Disposal of property, plant and equipment proceeds	812	858
B04500	Purchasing of intangible assets	(1,028)	-
B09900	Purchasing of biological assets (note 27)	(23,855)	(11,596)
B04600	Disposal of biological assets proceeds	93	-
B03700	Decrease (increase) in refundable deposits	(6,243)	(5,465)
B06700	Decrease (increase) in other non-current assets	866	(2,294)
B07500	Interest income	2,105	2,254
B07600	Obtained dividend from affiliated enterprises	<u>36,000</u>	<u>32,000</u>
BBBB	Net cash in(out)flow from investment activities	(<u>100,843</u>)	(<u>211,254</u>)
	Financing activities cash flow		
C00100	Increase (decrease) in short-term loans	255,792	1,102,216
C00500	Increase (decrease) in short-term notes payable	(340,000)	120,000
C01600	Long-term loan	1,794,000	827,000
C01700	Repayment of long-term loan	(1,304,818)	(1,000,000)
C03000	Increase (decrease) in margin deposit	60	1,769
C04020	Repayment of lease liability capital	(11,745)	(10,945)
C04500	Distribution of cash dividend	(349,925)	(306,184)
C05700	Shareholder's overdue unclaimed dividends	417	690
C09900	Non-controlling interest dividend expense	(<u>30,312</u>)	(<u>37,495</u>)
CCCC	Net cash in(out)flow of financing activities	<u>13,469</u>	<u>697,051</u>
DDDD	Impact from exchange rate changes	<u>2,544</u>	(<u>3,958</u>)
EEEE	Net decrease of cash and cash equivalents	(85,367)	(117,575)
E00100	BOY balance for cash and cash equivalents	<u>1,108,318</u>	<u>1,225,893</u>
E00200	Year-end balance for cash and cash equivalents	<u>\$ 1,022,951</u>	<u>\$ 1,108,318</u>

The notes attached are part of this consolidated financial statement.

【Appendix 4】

FORMOSA OILSEED PROCESSING CO., LTD. Comparison Table for the Company’s “Articles of Incorporation” Before and After Amendment

Article No.	After Amendment	Before Amendment	Reason for Amendment
31-1	<p>After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses (incl. adjustment to undistributed earnings) for the preceding years, and set aside a legal reserve of 10% of the net profit <u>but not when</u> the cumulative legal reserve reaches the paid-in capital of the Company. Then, special reserves shall be designated or reversed following relevant regulations or as prescribed by competent authority; if there are still earnings, the Board of Directors shall propose distribution of earnings (including adjustments to undistributed retained earnings) before reporting to the shareholders’ meeting for resolution on distribution of shareholders’ dividends.</p> <p>The Company shall authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, thereto a report of such distribution shall be submitted to the shareholders’ meeting.</p>	<p>After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses (incl. adjustment to undistributed earnings) for the preceding years, and set aside a legal reserve of 10% of the net profit; however, this shall not apply when the cumulative legal reserve reaches the paid-in capital of the Company. Then, special reserves shall be designated or reversed following relevant regulations or as prescribed by competent authority; if there are still earnings, the Board of Directors shall propose distribution of earnings (including adjustments to undistributed retained earnings) before reporting to the shareholders’ meeting for resolution on distribution of shareholders’ dividends.</p> <p>The Company shall authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, thereto a report of such distribution shall be submitted to the shareholders’ meeting.</p>	Word adjustment
32	<p>Dividend distribution policy of the Company shall be in principle maintaining a sound long-term financial structure and growth and expansion of future operation of the Company, as well as considerations to shareholders’ equity. The Company shall set aside no less than 50 percent of the distributable earnings of the current year as the shareholders’ bonus. Share dividends for shareholders may be distributed in cash or shares, of which the proportion of cash dividend may not be lower than 20 percent of the total dividend distribution (<u>distributable earnings of current year is the earnings after making up losses, then minuses legal reserve account, special reserve account, dividends on preferred stock, and excluding undistributed earnings previous year and legal reversal of special reserve</u>) for the current year every year.</p> <p>Where the cash dividend distributable per share is less than NTD 0.1 will not be dispatched.</p>	<p>Dividend distribution policy of the Company shall be in principle maintaining a sound long-term financial structure and growth and expansion of future operation of the Company, as well as considerations to shareholders’ equity. The Company shall set aside no less than 50 percent of the distributable earnings as the shareholders’ bonus. Share dividends for shareholders may be distributed in cash or shares, of which the proportion of cash dividend may not be lower than 20 percent of the total dividend distribution for the current year.</p> <p>Where the cash dividend distributable per share is less than NTD 0.1 will not be dispatched.</p>	Amended for practical needs, specified that the dividends distribution is according to appropriation from distributable earnings for the current year every year, and added the definition of distributable earnings for the current year.
36	<p>These Articles of Incorporation are agreed to by all promoters in the promoter meeting and signed on April 1, 1986, before submitting to competent authority for approval and effecting. Any amendments hereto shall be adopted by resolution of the shareholders’ meeting before submitting to the competent authority.</p> <p>1st Amendment was made on May 7, 1986. 27th Amendment was made on June 23, 2022. 28th Amendment was made on June 29, 2023.</p>	<p>These Articles of Incorporation are agreed to by all promoters in the promoter meeting and signed on April 1, 1986, before submitting to competent authority for approval and effecting. Any amendments hereto shall be adopted by resolution of the shareholders’ meeting before submitting to the competent authority.</p> <p>1st Amendment was made on May 7, 1986. 27th Amendment was made on June 23, 2022.</p>	Added date and count of new amendment

【Appendix 5】

FORMOSA OILSEED PROCESSING CO., LTD. Comparison Table for the Company’s “Rules of Procedure for Shareholders’ Meeting” Before and After Amendment

Article No.	After Amendment	Before Amendment	Reason for Amendment
2-1	<p><u>To convene a virtual shareholders’ meeting, except for otherwise stipulated in the Regulations Governing the Administration of Shareholder Services of Public Companies, such circumstances shall be specified in regulations, and be resolved by the Board of Directors, and virtual shareholders’ meeting shall be an adopted resolution of being approved by over half of attending director, which shall account for two-thirds of the Board of Directors.</u></p> <p>To convene a virtual shareholders’ meeting, the Company shall include the follow particulars in the shareholders’ meeting notice:</p> <ol style="list-style-type: none"> How shareholders attend the virtual meeting and exercise their rights. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. Shareholders not having registered to attend the affected virtual shareholders’ meeting shall not attend the postponed or resumed session. In case of a hybrid shareholders’ meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders’ meeting online, meets the minimum legal requirement for a shareholders’ meeting, then the shareholders’ meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders’ meeting. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out. <p><u>To convene a virtual-only shareholders’ meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified. Except for circumstances under Paragraph 6, Article 44-9, the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide connecting equipment and necessary assistance for shareholders and specify the period of application and other matters needing attention to shareholders.</u></p>	<p>To convene a virtual shareholders’ meeting, the Company shall include the follow particulars in the shareholders’ meeting notice:</p> <ol style="list-style-type: none"> How shareholders attend the virtual meeting and exercise their rights. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars: <ol style="list-style-type: none"> To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume. Shareholders not having registered to attend the affected virtual shareholders’ meeting shall not attend the postponed or resumed session. In case of a hybrid shareholders’ meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders’ meeting online, meets the minimum legal requirement for a shareholders’ meeting, then the shareholders’ meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders’ meeting. Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out. <p>To convene a virtual-only shareholders’ meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders’ meeting online shall be specified.</p>	<ol style="list-style-type: none"> Implemented under Letter No. Taiwan Stock Governance 1120004167 of the Taiwan Stock Exchange Corporation. The Company convening virtual shareholders’ meetings lead to more limitation on shareholders’ rights and interests without physical shareholders’ meeting. To ensure shareholders’ rights and interests, thus adding related regulations. To convene a virtual shareholders’ meeting, shareholders can only participate virtually. To provide appropriate substitute measures and assist in using connecting equipment for those having difficulties attending virtual shareholders’ meetings, thus adding related regulations.

【Appendix 6】

Directors' Shareholding

1. Number of shares held by individuals and all directors as recorded on the Company's shareholders roster as of May 1 (Book Closure Date for this Shareholders' Meeting), 2023 are as follows:

Role	Name	Date Elected	Number of Shares Held by Election	Shares Held as Recorded on Shareholders Roster by Date for Suspension of Shares Transfer (Note)	
				Shares	Proportion
Chairman	Jin-Sheng Investment Ltd. Representative: Shu, Yi-Cheun	June 23, 2022	2,177,419	2,177,419	1.00%
Director	ANHE investment holding Corporation. Representative : Wu, Xing-Cheng	June 23, 2022	215,000	215,000	0.10%
Director	MORN SUN FEED MILL CORPORATION Representative: Wu, Qing-De	June 23, 2022	5,169,889	5,169,889	2.36%
Director	TAI SHENG OCEAN DEVELOPMENT CO., LTD. Representative: Zheng, Yi-Jia	June 23, 2022	2,798,619	2,798,619	1.28%
Director	SHIN FONG TRADING CO., LTD. Representative: Zheng, Zhao-Heng	June 23, 2022	15,294,867	15,952,867	7.29%
Director	SHIN TAI INDUSTRY CO., LTD. Representative: Yeh, Tzu-Ling	June 23, 2022	21,731,939	24,828,939	11.35%
Independent Director	Lu, Hsin-Hwa	June 23, 2022	0	0	0.00%
Independent Director	Wang, Shang-Ren	June 23, 2022	0	0	0.00%
Independent Director	Lian, Ren-Long	June 23, 2022	0	0	0.00%
Total			47,387,733	51,142,733	23.38%

2. Total number of shares issued by the Company: 218,703,051 shares.
 3. Legal minimum shares held by all directors: 12,000,000 shares.

Regulations

FORMOSA OILSEED PROCESSING CO., LTD.

Articles of Incorporation

June 23, 2022

Adopted in Regular Shareholders' Meeting

Chapter 1 General Provision

Article 1: The Company is incorporated in accordance with the Company Act and registered under the business name of FORMOSA OILSEED PROCESSING CO., LTD.

Article 2: The Company's scope of services is set out hereunder:

1. Production and sales of soy powder, soybean oil (plant oil), lecithin, shortening, etc.
2. Manufacturing, processing and sales of flour, feeding, barley flakes, corn flour and their by-products.
3. Procurement, transportation, sales and agency trades of flour, oil, feeding, barley flakes, corn flour and their raw materials and by-products.
4. Husbandry of livestock and poultry, and processing and sales of slaughtered livestock and poultry.
5. General Trade (except those that are subject to special approval).
6. Agency for product quotation, tendering and dealership of products (except for commodities) from relevant domestic and overseas manufacturers.
7. CE01040 Watches and Clocks Manufacturing.
8. C103020 Frozen Food Manufacturing.
9. C104020 Manufacture of Bakery and Steam Products.
- 10.G801010 Warehousing.
- 11.H701010 Housing and Building Development and Rental.
- 12.H703010 Rental of Factory Building.
- 13.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company may not take roles of unlimited liability shareholder for other companies or partner of partnerships; where the Company serves as a limited liability shareholder, the Company's total amount of all investments may be more than 40 percent of the Company's paid-in capital and may be conducted by the Board of Directors under authorization.

Article 4: The Company shall have its head office in Taichung City, the Republic of China, and may, pursuant to a resolution adopted at the meeting of the Board of Directors, set up branch offices within or outside the territory of the Republic of China when deemed necessary.

Chapter 2 Shares

Article 5: The total amount of the Company's capital is NTD 3,000,000,000, which contains 300,000,000 shares of registered common stock with a value per share of NTD 10, to be issued by installments by the Board of Directors under authorization.

Article 6: Stocks of the Company are in form of registered shares, and the share certificates shall be affixed with the signatures or personal seals of three directors including Chairman representing the Company, numbered, and shall be duly certified or authenticated by the competent authority to certify shares under the laws before issuance thereof.

The Company may print its share certificate in combined form following total number of shares in each issuance of new shares, and the Company shall entrust the centralized securities depository enterprise on depository affairs; the provision requiring numbering of share certificates as provided in the preceding paragraph is not applicable under the circumstances hereof.

The Company may also be exempted from printing its share certificate, and shall register the issued shares with a centralized securities depository enterprise; the provisions in the preceding two paragraphs are not applicable under the circumstances hereof.

Administration of shareholder services of the Company shall be transacted pursuant to "Regulations Governing the Administration of Shareholder Services of Public Companies"

Article 7: Stock affairs of the Company shall be transacted pursuant to "Regulations Governing the Administration of Shareholder Services of Public Companies" as promulgated by competent authorities and relevant laws and regulations.

Article 8: Shareholders shall have their seals for signature/stamp kept at the Company for the use upon issuance of documents or notifications concerning verification of shareholders upon exercise of shareholders' rights or collection of dividend, bonus or other benefits.

Article 9: Transfer of shares will not be altered within 60 days prior to the convening date of a regular shareholders' meeting, or within 30 days prior to the convening date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

Chapter 3 Shareholders' Meeting

Article 10: Shareholders' meetings of the Company are of two kinds: (1) regular meeting and (2) special meeting. Except as otherwise provided by the Company Act, the shareholders' meetings shall be convened by the Board of Directors.

Regular meetings shall be convened at least once a year by the

Board of Directors according to the law within six months after close of each fiscal year, unless otherwise approved by the competent authority for good cause shown.

Article 11: A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date. In case the Company intends to convene a special meeting of shareholders, a meeting notice shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. The cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice or announcements to be given to shareholders.

Article 12: Except in the circumstances of restrictions or otherwise provided for in Article 179 of the Company Act concerning the shares without voting rights, a shareholder of the Company shall have one voting power in respect of each share in his/her/its possession.

Article 13: Resolutions at a shareholders' meeting shall, unless otherwise provided for in this Act, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.

Article 14: A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed 3% of the total number of voting shares of the Company, otherwise, the portion of excessive voting power shall not be counted.

Article 15: For a shareholders' meeting convened by the Board of Directors, the meeting shall be chaired by the chairperson; in case the Chairman of the Board of Directors is on leave or absent or cannot exercise his power and authority for any cause, a delegate shall be appointed in compliance with Article 208 of the Company Act.

If a shareholders' meeting is convened by a party with power to convene but other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

Article 16: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes, and shall be handled pursuant to Article 183 of the Company Act.

Article 16-1: The Company may hold its shareholders' meeting by means of visual communication network or other methods promulgated by

the central competent authority. The shareholders' meetings held by means of visual communication network shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

Chapter 4 Board of Directors

Article 17: The Company shall have 5 to 9 directors. From the Company's by-election in 2016, a candidate nomination system has been adopted. In the aforesaid number of directors of the Company, the directors shall include not less than 2 independent director members, and not less than one-fifth of the director seats shall be held by independent directors. The directors shall be elected at the shareholders' meeting from among the individuals of legal capacity, with the term of three years. All Directors and Supervisor(s) shall be eligible for re-election. In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. When the number of directors falls below two-third of all directors, the Company shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies, where the term of the elected directors shall be limited to unexpired term of office of the predecessor. Total number of shares of the Company held by all directors shall not be lower than percentages as prescribed by competent authorities.

Article 17-1: From by-election of new directors of the Company in 2019, the audit committee established by the Company pursuant to Article 14-4 of the Securities and Exchange Act shall be composed of the entire member of independent directors. Duties, organic regulations, performance of duties and other matters for compliance shall be conducted following relevant laws and regulations.

Article 18: The Company's juristic person shareholders or their representatives are entitled to election of directors as well as by-elections for succeeding directors assuming the office for their predecessors.

Article 19: The directors shall elect among themselves one chairman and one vice chairman. The directors will chair the shareholders' and Board of Directors' meetings and shall externally represent the Company. When the chairperson of the board is on leave or for any reason unable to exercise the powers of chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson is also on leave or for any

reason unable to exercise the powers of vice chairperson, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.

Article 20: The Board of Directors' meeting shall be convened by the Chairman, however, the first Board of Directors meeting held after assumption of each batch of directors shall be convened by the directors obtaining the highest number of votes in the election he/she is elected within 15 days from the by-election date or fulfillment of term of office for the last batch of directors, whichever is later. In case a director is unable to attend the shareholders' meeting, the director may appoint another director to attend the meeting by issuing a proxy form in writing. However, each director may only be the appointed proxy of only one director unable to attend. In calling a meeting of the Board of Directors, a notice in writing, electronic mail (E-mail) or facsimile shall be given to each director no later than 7 days prior to the scheduled meeting date.

In the case of emergency, a meeting of the Board of Directors may be convened at any time, and the notice to it may also be given in writing, electronic mail (E-mail) or facsimile.

Article 21: Where a Board of Directors meeting is attended by more a majority of directors after a notice is given will be deemed as presence by a quorum. However, the quorum presents in case of meetings held for conducts as prescribed in Articles 185, 208 paragraph 1, 246, 266, 282 and 316 of the Company Act and election of Chairman shall be two-third of all directors. Conducts of the Board of Directors shall only be effected by adoption in the Board of Directors meeting attended by a majority of attending directors. The minutes concerning shareholders' meeting as stated in the Article 16 herein shall apply mutatis mutandis in the meetings for meeting minutes of the Board of Directors meetings.

Article 22: Duties of the Board of Directors are as follows:

- (1) Verification of significant regulations and rules.
- (2) Preparation of Business Plans.
- (3) Review of budget and final accounts.
- (4) Appointment and dismissal of the Company's general managers, vice general managers and managers.
- (5) Proposals for earnings distribution or covering losses.
- (6) Proposals for capital increase/decrease.
- (7) Exercise of duties as prescribed in the Company Act or as resolved in shareholders' meetings.

Article 22-1: The Company may obtain directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. The Board of Directors under authorization may handle the insuring affairs at its full rights.

Article 23: The Board of Directors may appoint or employ one secretary transacting significant paperwork of the Company and other affairs following instructions of the Board.

Chapter 5 Supervisor

Article 24: (Deleted)

Article 25: (Deleted)

Article 26: (Deleted)

Article 27: (Deleted)

Chapter 6 Manager

Article 28: The Company may have one or more managerial officers. Appointment, discharge and the remuneration of the managerial officers shall be in compliance with Article 29 of the Company Act.

Chapter 7 Accounting

Article 29: Where directors of the Company perform duties of the Company, the Company shall provide compensations whose amount is set forth by the Board of Directors under authorization on basis of such duty's involvement in operations of the Company and value of contribution as well as general level of compensation as provided in the same industry.

Article 30: The fiscal year of the Company starts on 1st of January of each year and ends on 31st of December of the same year.

After the close of each fiscal year, the following reports and statements shall be prepared by the Board of Directors, and shall be submitted to the regular meeting of shareholders for acceptance following legal procedure:

(1) Report on Operations.

(2) Financial Statements.

(3) Proposals Concerning Appropriation of Net Profits of Making Up.

Article 31: If there is profit (i.e., benefits of profit before tax before deduction of employees' and directors' compensation) at the end of each fiscal year, a ratio of profit of the current year distributable as employees' and directors' compensation shall be appropriated. The distribution ratio for employees' compensation shall be 2%~4%, and the directors' compensation distributed shall not be more than 4%. However, the Company's accumulated losses (incl. adjustment to undistributed earnings) shall have been covered first.

Parties entitled to receive shares or cash as employees'

compensation as mentioned in the preceding paragraph may include the employees of parents or subsidiaries of the Company meeting certain specific requirements, and the directors' compensation as mentioned in the preceding paragraph shall only be distributed in cash.

The preceding two paragraphs shall be resolved by the Board of Directors before submitting to the shareholders' meeting.

Article 31-1: After closing of accounts, if there are earnings, the Company shall first pay the tax, make up the losses (incl. adjustment to undistributed earnings) for the preceding years, and set aside a legal reserve of 10% of the net profit; however, this shall not apply when the cumulative legal reserve reaches the paid-in capital of the Company. Then, special reserves shall be designated or reversed following relevant regulations or as prescribed by competent authority; if there are still earnings, the Board of Directors shall propose distribution of earnings (including adjustments to undistributed retained earnings) before reporting to the shareholders' meeting for resolution on distribution of shareholders' dividends. The Company shall authorize the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution shall be submitted to the shareholders' meeting.

Article 32: Dividend distribution policy of the Company shall be in principle maintaining a sound long-term financial structure and growth and expansion of future operation of the Company, as well as considerations to shareholders' equity. The Company shall set aside no less than 50 percent of the distributable earnings as the shareholders' bonus. Share dividends for shareholders may be distributed in cash or shares, of which the proportion of cash dividend may not be lower than 20 percent of the total dividend distribution for the current year.

Where the cash dividend distributable per share is less than NTD 0.1 will not be dispatched.

Article 33: The Company may make endorsements/guarantees externally. The reregulate governing endorsements/guarantees shall be adopted by passage of the shareholders' meeting, and all guarantees shall be approved by the Board of Directors and entered in minutes of the Board of Directors meeting before effected.

Chapter 8 Additions

Article 34: Organic regulations of the Company may be promulgated by the Board of Directors otherwise.

Article 35: In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other relevant regulations shall govern.

Article 36: These Articles of Incorporation are agreed to by all promoters in the promoter meeting and signed on April 1, 1986 before submitting to competent authority for approval and effecting. Any amendments hereto shall be adopted by resolution of the shareholders' meeting before submitting to the competent authority.

1st Amendment was made on May 7, 1986.

2nd Amendment was made on November 10, 1987.

3rd Amendment was made on December 20, 1987.

4th Amendment was made on January 5, 1988.

5th Amendment was made on April 7, 1989.

6th Amendment was made on April 7, 1990.

7th Amendment was made on March 26, 1991.

8th Amendment was made on April 21, 1995.

9th Amendment was made on April 23, 1996.

10th Amendment was made on May 2, 1997.

11th Amendment was made on May 14, 1998.

12th Amendment was made on June 24, 1999.

13th Amendment was made on June 28, 2000.

14th Amendment was made on January 19, 2001.

15th Amendment was made on June 27, 2002.

16th Amendment was made on June 28, 2005.

17th Amendment was made on June 26, 2006.

18th Amendment was made on June 29, 2010.

19th Amendment was made on June 22, 2011.

20th Amendment was made on June 27, 2012.

21st Amendment was made on March 4, 2015.

22nd Amendment was made on June 25, 2015.

23rd Amendment was made on June 28, 2016.

24th Amendment was made on June 22, 2017.

25th Amendment was made on June 26, 2018.

26th Amendment was made on June 27, 2019.

27th Amendment was made on June 23, 2022.

FORMOSA OILSEED PROCESSING CO., LTD.

Rules of Procedure for Shareholders' Meeting

June 23, 2022

Adopted in Regular Shareholders' Meeting

1. The rules of procedures for the Company's shareholders' meetings shall be as provided in these rules.
2. Where shareholders (or their proxies) attend the meeting, they shall present attendance card, or hand in a sign-in card. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting.

For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.

- 2-1. To convene a virtual shareholders' meeting, the Company shall include the follow particulars in the shareholders' meeting notice:
 1. How shareholders attend the virtual meeting and exercise their rights.
 2. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
 - (1) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
 - (2) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.
 - (3) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted

towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

- (4) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.

To convene a virtual-only shareholders' meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall be specified.

3. The chair shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
4. The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders' meeting. When the Company convenes a virtual-only shareholders' meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m.
5. If a shareholders' meeting is convened by the Board of Directors, changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting notice, and the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but

other than the Board of Directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

6. The Company shall make an uninterrupted audio and video recording of the proceedings of the shareholders' meeting. The recorded materials of the proceedings shall be retained for at least one year.

Where a shareholders' meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders' meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

- 6-1. In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders' meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders' meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of

shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors (incl. independent directors).

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders' meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders' meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholders' meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the second paragraph.

7. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs, except

by a resolution of the shareholders' meeting.

If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chair, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

After the meeting is adjourned, except for the circumstances as stated in the preceding paragraph, shareholders may not elect a new chair and resume the meeting at the same or another venue.

8. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

9. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes.

If the shareholder's speech violates the rules or exceeds the scope of the agenda item as stated in the preceding paragraph, the chair may terminate the speech.

When the government or a juristic person is a shareholder, it may be represented by no more than one representative at a shareholders' meeting

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.

10. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Articles 8 and 9 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

When the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote.

11. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

The results of the voting shall be announced on-site at the meeting, and a record of the vote shall be made.

When the Company convenes a virtual shareholders' meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders' meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting online decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders' meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

12. When a meeting is in progress, the chair may announce a break based on time considerations.

13. Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

The election of directors shall be conducted in accordance with the Company's "Regulations Governing Election of Directors", and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.

In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has

announced the meeting adjourned..

14. The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
15. A shareholder (or his/her proxy) shall comply with directions by the chair and the proctor (or security personnel) on maintaining order. If a shareholder violates the rules of procedure and defies the chair's correction, for any individual obstructing the proceedings, the chair may direct the proctors (or security personnel) to escort the shareholder from the meeting.
16. Matters not attended by these Rules shall be handled in compliance with the Company Act, Securities and Exchange Act and other relevant rules and relevant regulations.
17. These Rules shall take effect after having been submitted to and approved by a shareholders' meeting. Subsequent amendments thereto shall be effected in the same manner.