

Stock Code: 1225



福懋油脂股份有限公司  
**FORMOSA OILSEED PROCESSING CO., LTD.**

# Handbook for the 2024 Annual Meeting of Shareholders

Time: June 26, 2024

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

Means of shareholders' meeting: physical shareholders' meeting

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**FORMOSA OILSEED PROCESSING CO., LTD.**  
**Procedure for the 2024 Annual Meeting of**  
**Shareholders**

I. Call the Meeting to Order

II. Chairperson Remarks

III. Matters for Report

IV. Matters for Ratification

V. Extempore Motion

VI. Adjournment

FORMOSA OILSEED PROCESSING CO., LTD.  
Agenda for the 2024 Annual Meeting of Shareholders

Time: 9:00 am, Wednesday, June 26, 2024

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

Means of shareholders' meeting: physical shareholders' meeting

I. Call the Meeting to Order (Number of shares present)

II. Chairperson Remarks

III. Matters for Report

(I) Business Report for 2023

(II) Audit Committee's Review Report for 2023

(III) Report on Remuneration of Employee and Director for 2023

(IV) Report on Cash Dividend Distribution for 2023

(V) Report on the Company's Endorsement and Guarantee  
Arrangements

IV. Matters for Ratification

(I) Business Report, Parent Company Only and Consolidated  
Financial Statements for 2023

(II) Earnings Distribution Proposal for 2023

V. Extempore Motion

VI. Adjournment

# Matters for Report

**【Matters for Report】**

Report No. 1: Business Report for 2023.

Please refer to Appendix 1 in this Handbook.  
(p.14-p.15)

**【Matters for Report】**

Report No. 2: Audit Committee's Review Report for 2023.

**FORMOSA OILSEED PROCESSING CO., LTD.**

**Audit Committee's Review Report**

The Board of Directors has prepared the business report, financial statements, and earning distribution statement for 2023 of the company, among which the financial statements have been audited and certified by CPA Hsieh, Chien-Hsin and Chang, Keng-Hsi, Deloitte Taiwan. The aforementioned business report, financial statements, and earning distribution statement have been reviewed by our Audit Committee and found to be in compliance. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the required report is prepared and submitted for your review.

To  
FORMOSA OILSEED PROCESSING CO., LTD.  
2024 Shareholders' Meeting

**FORMOSA OILSEED PROCESSING CO., LTD.**

**Audit Committee Convener: LU, HSING-HUA**

**March 13, 2024**

**【Matters for Report】**

Report No. 3: Report on Remuneration of Employee and Director for 2023.

Explanation:

In 2023, the company distributed NT\$8,816,039 in employee remuneration and NT\$8,816,039 in director remuneration, all in cash.

**【Matters for Report】**

**Report No. 4: Report on Cash Dividend Distribution for 2023.**

**Explanation:**

- I. The company intends to allocate a cash dividend of NT\$321,493,486 from the distributable profits for 2023, distributing NT\$1.4 per share, rounding down to the nearest integer, and any fractional amounts less than NT\$1 will be aggregated as other income for the company.
- II. The dividend distribution plan will be determined separately by the Board of Directors, including ex-dividend date, payment date, and other relevant matters.
- III. If there are changes in the company's share capital affecting the number of outstanding shares after the dividend distribution, resulting in changes in the dividend yield, the Board of Directors will handle it in accordance with the Company Act or other relevant regulations.

**【Matters for Report】**

Report No. 5: Report on the Company's Endorsement and Guarantee Arrangements.

Explanation:

I. As of December 31, 2023, the company's endorsements and guarantees to third parties are as follows:

Guaranteed Party	Guaranteed Amount (NT\$ Thousand)
TOP FOOD INDUSTRY CORPORATION (Note)	3,072,000

(Note) TOP FOOD INDUSTRY CORPORATION, a subsidiary of the company holding 63.16% of shares, requires endorsements and guarantees of NT\$3,072,000 thousand for operational needs.

II. The limit calculated according to the company's endorsement and guarantee operating procedures is as follows:

1. The endorsement and guarantee limit is NT\$4,214,557 thousand.
2. The endorsement and guarantee limit for a single domestic enterprise is NT\$3,512,131 thousand.
3. The above limits are calculated based on the shareholders' equity in the financial statements as of December 31, 2023.

# Matters for Ratification

**【Matters for Ratification】**

Case No. 1: Proposed by the Board of Directors

Subject: Business Report, Parent Company Only and Consolidated Financial Statements for 2023.

Explanation:

- I. The company's business report, parent company only and consolidated financial statements, including the balance sheet, income statement, statement of changes in equity, and cash flow statement for 2023, audited by CPA Hsieh, Chien-Hsin and Chang, Keng-Hsi, Deloitte Taiwan, have been reviewed by the Audit Committee and found to be in compliance. They are submitted for approval by the shareholders' meeting in accordance with the law.
- II. Please refer to Appendices 1, 2, and 3 in this Handbook (p.14-p.36) for the details of the aforementioned documents.
- III. Please approve.

Resolution:

**【Matters for Ratification】**

Case No. 2: Proposed by the Board of Directors

Subject: Earnings Distribution Proposal for 2023.

Explanation:

I. The company's net profit after tax for the year 2023 is NT\$367,879,470. According to the company's articles of incorporation, the proposed profit distribution for 2023 is as follows:

**FORMOSA OILSEED PROCESSING CO., LTD.**  
**Earnings Distribution Statement**  
2023

Unit: NT\$

Item	Amount	
Beginning Undistributed Earnings		285,136,143
Add: Net Profit After Tax for 2023	367,879,470	
Add: Actuarial Gains Included in Retained Earnings	793,515	
Less: Provision for 10% Legal Reserve	(36,867,299)	331,805,686
Available for Distribution Earnings		616,941,829
Less: Distribution Items		
Cash Dividends (NT\$1.4 per share)	(321,493,486)	(321,493,486)
Ending Undistributed Earnings		295,448,343

Chairman: Shu, Yi-Cheun    Manager: Chang, Chih-Pin    Accounting Manager: Huang, Shih-Fen

II. In this profit distribution proposal, it is proposed to prioritize the distribution of profits for 2023, with any shortfall to be covered by undistributed profits from previous years.

III. Please approve.

Resolution:

Extempore Motion

Adjournment

# Appendices

## 【Appendix 1】

# FORMOSA OILSEED PROCESSING CO., LTD.

## Business Report for 2023

### I. Operational Policies:

The company primarily engages in bulk grain processing, producing products such as soybean oil, soybean meal, palm oil, cereals, and compound feed. Raw materials such as soybeans, corn, barley, and wheat are sourced from countries including the United States, Brazil, Argentina, and Australia, with raw materials accounting for approximately 80% of total costs. Therefore, the company constantly monitors international raw material price trends, adjusts inventory positions timely, and effectively manages inventory. In addition to deepening its presence in the domestic bulk commodity market, the company actively expands into overseas markets, aiming to integrate group resources for comprehensive business marketing and maximize profitability.

### II. Implementation Results of Business Plan:

1. The company's net operating revenue for 2023 was NT\$10,783,653 thousand, a decrease of 5.82% compared to NT\$11,449,824 thousand in 2022. Gross profit from operations was NT\$697,675 thousand, a decrease of 12.47% compared to NT\$797,104 thousand in 2022. Pre-tax net profit was NT\$423,169 thousand, a decrease of 6.50% compared to NT\$452,583 thousand in 2022.
2. The internal budget achievement for 2023 is as follows: the budgeted net operating revenue was NT\$10,166,796 thousand, and the actual figure was NT\$10,783,653 thousand, achieving a rate of 106.07%. The budgeted gross profit from operations was NT\$667,167 thousand, and the actual figure was NT\$697,675 thousand, achieving a rate of 104.57%. The budgeted net income from operations was NT\$75,179 thousand, and the actual figure was NT\$116,810 thousand, achieving a rate of 155.38%. The budgeted pre-tax net profit was NT\$337,320 thousand, and the actual figure was NT\$423,169 thousand, achieving a rate of 125.45%.

### III. Operating Income and Profitability:

Unit: NT\$ Thousand

Item		Year	2023	2022	Increase(Decrease) %	
Operating Income	Operating Revenue		10,783,653	11,449,824	(5.82)	
	Operating Costs		10,086,329	10,652,494	(5.31)	
	Gross Profit from Operations		697,675	797,104	(12.47)	
	Pre-tax Net Profit		423,169	452,583	(6.50)	
Profitability	Return on Assets (%)		5.91	5.61	5.35	
	Return on Equity (%)		10.53	10.67	(1.31)	
	Ratio to Paid-in Capital (%) (Note)	Operating Profit		13.34	17.17	(22.31)
		Pre-tax Net Profit		18.43	19.71	(6.49)
	Net Profit (Loss) Rate (%)		3.41	3.22	5.90	
	Earnings (Loss) per Share (NT\$) (Note)		1.60	1.61	(0.62)	

Note: The impact of the issuance of bonus shares on earnings distribution for 2022 has been retrospectively adjusted.

### IV. Outlook for 2024

The global economic situation is unpredictable and subject to various factors including the Russia-Ukraine conflict, geopolitical factors such as tensions in the Middle East, changes in interest rates and exchange rates, and the impact of extreme weather events. It is expected that global economic recovery will show slow growth in 2024. As commodity prices are susceptible to fluctuations due to international economic and trade turbulence, it is crucial for the company to constantly monitor international information, reduce procurement costs for raw materials, and maintain optimal inventory levels.

The key focus of operations in 2024 will be on concentrating on core businesses, implementing food safety measures, expanding export markets, integrating group resources, and striving to deepen the market for edible oils, flour, and feed. The company aims to provide customers with high-quality and reliable products, working diligently to achieve various operational goals.

The company continues to deepen its commitment to sustainable development, implementing various food safety verification systems to ensure that its products and services meet international standards and establish a good brand image. The company completed its first greenhouse gas inventory in 2023 ahead of mandatory legal requirements and obtained a greenhouse gas verification statement. It will continue to carry out such activities in the future to strengthen its corporate governance responsibilities.

Chairman: Shu, Yi-Cheun    Manager: Chang, Chih-Pin    Accounting Manager: Huang, Shih-Fen

## 【Appendix 2】 (Parent Company Only Financial Statements)

### **Independent Auditors' Report**

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

#### **Opinion**

FOPCO's parent company only balance sheets for December 31, 2023 and 2022, and parent company only statements of comprehensive income from January 1 to December 31, 2023 and 2022, parent company only statements of changes in equity, parent company only statements of cash flows, and notes to parent company only 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 parent company only financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities. It is sufficient to appropriately express FOPCO's parent company only financial situation for December 31, 2023 and 2022, and its parent company only financial performance and parent company only cash flow from January 1 to December 31, 2023 and 2022.

#### **The Basis of Opinion**

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

#### **Key Audit Matters**

Key Audit Matters (KAMs) refers to the most important matters that, to the Accountant's professional judgment, found in FOPCO's 2023 parent company only financial statements audits. Such matters have been addressed to during the general forming process of the opinion for parent company only financial statements audit. The Accountant did not express separate opinions regarding such matters.

KAMs regarding FOPCO's 2023 parent company only 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 parent company only financial statements.

As of December 31, 2023, the amount for FOPCO's in-transit inventory and raw material is NTD 1,090,949 thousands (refer to note 8), which accounts for 16% of total assets, and 87% of net inventory value for the parent company only financial statements for December 31, 2023. 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 material's 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 result 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.

#### **Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements**

The management level's responsibilities are to prepare appropriately expressed parent company only 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 parent company only financial statements, so as to confirm that there is no misstatement due to fraud or errors in the parent company only financial statements.

When preparing parent company only 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.

### **Auditors' responsibilities for the audit of the parent company only financial statements**

The purpose for the Accountant's auditing of parent company only financial statements is to obtain reasonable assurance about whether or not there are any significant misstatements due to fraud or errors in the parent company only 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 parent company only financial statements' users, it is considered significant.

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

1. Identify and evaluate the risk of significant misstatements caused by fraud or error in parent company only 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 believes there exists significant uncertainties in such matters or

circumstances, the Accountant shall remind the parent company only financial statements' users to pay attention to the parent company only 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 parent company only financial statements (including related notes), as well as whether the parent company only financial statements appropriately expressed related transactions and matters.
6. Obtain sufficient and appropriate audit evidence about the financial information formed within FOPCO, so as to express opinion about parent company only 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 2023 parent company only 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.

Hsieh, Chien-Hsin

Independent Accountants

Chang, Keng-Hsi

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 13, 2024

## Formosa Oilseed Processing Co., Ltd.

## Parent Company Only Balance Sheets

December 31, 2023 and 2022

Unit: NTD thousands

Code	Asset	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>Current Assets</b>				
1100	Cash (notes 4 & 6)	\$ 620,202	10	\$ 644,773	9
1150	Notes receivable (notes 4, 7, and 20)	186,639	3	222,984	3
1160	Notes receivable – related parties (notes 4, 20, & 27)	5,159	-	4,650	-
1170	Accounts receivable (notes 4, 7, and 20)	546,316	8	676,106	10
1180	Accounts receivable – related parties (notes 4, 20, & 27)	483,974	7	535,611	8
1200	Other receivables (notes 4 & 7)	13,737	-	18,514	-
1210	Other receivables – related parties (notes 4 & 27)	348	-	706	-
130X	Inventory (notes 4, 5, & 8)	1,260,973	19	1,373,247	19
1410	Prepayments (note 9)	54,427	1	141,344	2
1470	Other current assets	16	-	-	-
11XX	Total current assets	<u>3,171,791</u>	<u>48</u>	<u>3,617,935</u>	<u>51</u>
	<b>Non-current assets</b>				
1550	Investments by equity method (notes 4 & 10)	1,208,401	18	1,129,631	16
1600	Property, plant, and equipment (notes 4, 11 & 28)	2,088,269	32	2,131,828	31
1755	ROU assets (notes 4 & 12)	142,196	2	148,817	2
1780	Intangible assets (notes 4 & 13)	1,467	-	993	-
1840	Deferred tax assets (notes 4 & 22)	13,746	-	14,080	-
1990	Other non-current assets (note 14)	11,041	-	7,225	-
15XX	Total non-current assets	<u>3,465,120</u>	<u>52</u>	<u>3,432,574</u>	<u>49</u>
1XXX	Total assets	<u>\$ 6,636,911</u>	<u>100</u>	<u>\$ 7,050,509</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (note 15)	\$ 1,448,103	22	\$ 1,681,662	24
2150	Notes payable (note 16)	4,634	-	4,842	-
2170	Accounts payable (note 16)	188,320	3	321,652	5
2180	Accounts payable – related parties (note 27)	109,145	2	82,344	1
2219	Other payables (note 17)	125,222	2	104,866	1
2230	Current tax liabilities (notes 4 & 22)	16,089	-	43,178	1
2280	Lease liabilities – current (notes 4 & 12)	8,965	-	7,925	-
2320	Long-term loans due within one year (notes 4, 15 & 28)	160,000	2	160,000	2
2399	Other current liabilities (note 20)	1,531	-	1,352	-
21XX	Total current liabilities	<u>2,062,009</u>	<u>31</u>	<u>2,407,821</u>	<u>34</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (note 4, 15 & 28)	820,000	12	920,000	13
2580	Lease liabilities – non-current (notes 4 & 12)	137,568	2	143,718	2
2640	Net defined benefit liabilities (notes 4 & 18)	7,566	-	8,685	-
2645	Margin deposit	2,077	-	1,850	-
2570	Deferred tax liabilities (notes 4 & 22)	95,560	2	95,560	2
25XX	Total non-current liabilities	<u>1,062,771</u>	<u>16</u>	<u>1,169,813</u>	<u>17</u>
2XXX	Total liabilities	<u>3,124,780</u>	<u>47</u>	<u>3,577,634</u>	<u>51</u>
	<b>Equity</b>				
3110	Ordinary share	2,296,382	35	2,187,030	31
3200	Capital reserves	123,145	2	122,122	2
	Retained earnings				
3310	Statutory retained earnings	341,559	5	303,661	4
3320	Special retained earnings	200,454	3	200,454	3
3350	Undistributed earnings	653,809	10	760,441	11
3300	Total retained earnings	<u>1,195,822</u>	<u>18</u>	<u>1,264,556</u>	<u>18</u>
3400	Other equity interest	(103,218)	(2)	(100,833)	(2)
3XXX	Total equity	<u>3,512,131</u>	<u>53</u>	<u>3,472,875</u>	<u>49</u>
	Total liabilities and equity	<u>\$ 6,636,911</u>	<u>100</u>	<u>\$ 7,050,509</u>	<u>100</u>

Formosa Oilseed Processing Co., Ltd.  
Parent Company Only Statements of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands;

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (notes 4, 20 & 27)				
4110	Sales income	\$ 10,790,592	100	\$ 11,461,761	100
4170	Subtract: sales returns and allowances	<u>9,623</u>	<u>-</u>	<u>12,757</u>	<u>-</u>
4100	Net operating income	10,780,969	100	11,449,004	100
4800	Other operating revenue	<u>2,684</u>	<u>-</u>	<u>820</u>	<u>-</u>
4000	Total operating revenue	<u>10,783,653</u>	<u>100</u>	<u>11,449,824</u>	<u>100</u>
5110	Cost of sales (notes 8 & 27)	<u>10,086,329</u>	<u>93</u>	<u>10,652,494</u>	<u>93</u>
5900	Gross profit	697,324	7	797,330	7
5910	Realized (unrealized) profit with subsidiary companies and affiliated enterprises	<u>351</u>	<u>-</u>	( <u>226</u> )	<u>-</u>
5950	Realized gross profit	<u>697,675</u>	<u>7</u>	<u>797,104</u>	<u>7</u>
	Operating expenses (note 27)				
6100	Promotion expenses	246,281	3	270,275	3
6200	Management expenses	126,930	1	119,009	1
6300	Development expenses	17,104	-	14,009	-
6450	Expected loss of credit impairment (note 7)	<u>1,220</u>	<u>-</u>	<u>317</u>	<u>-</u>
6000	Total operating expenses	<u>391,535</u>	<u>4</u>	<u>403,610</u>	<u>4</u>
6510	Other net revenue and expenses (note 21)	<u>219</u>	<u>-</u>	<u>698</u>	<u>-</u>
6900	Net operating profit	<u>306,359</u>	<u>3</u>	<u>394,192</u>	<u>3</u>
	Non-operating income and expenses				
7070	Gains on subsidiary companies and affiliated enterprises, accounted for using equity method (note 4)	124,333	1	37,843	-
7630	Foreign currency exchange net profit (note 21)	25,115	-	41,760	1

(next page)

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
7100	Interest income	\$ 3,604	-	\$ 1,409	-
7110	Rent income (note 27)	422	-	314	-
7190	Other income (notes 27)	9,269	-	9,893	-
7510	Interest expense (note 21)	( 45,677 )	-	( 31,204 )	-
7520	Miscellaneous expense	( 256 )	-	( 1,624 )	-
7000	Total non-operating income and expenses	<u>116,810</u>	<u>1</u>	<u>58,391</u>	<u>1</u>
7900	Profit before tax	423,169	4	452,583	4
7950	Income tax fees (notes 4 & 22)	<u>55,290</u>	<u>1</u>	<u>83,589</u>	<u>1</u>
8200	Net profit	<u>367,879</u>	<u>3</u>	<u>368,994</u>	<u>3</u>
	Other comprehensive income				
8310	Items not reclassified under profit and loss:				
8311	Remeasurements of defined benefit plan (notes 4 & 18)	542	-	9,477	-
8330	Share of affiliated enterprises' other comprehensive income, accounted for using equity methods (note 4)	<u>252</u>	<u>-</u>	<u>510</u>	<u>-</u>
		<u>794</u>	<u>-</u>	<u>9,987</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)	( 2,385 )	-	2,616	-
8300	Total other (net) comprehensive income	( 1,591 )	-	12,603	-
8500	Total comprehensive income	<u>\$ 366,288</u>	<u>3</u>	<u>\$ 381,597</u>	<u>3</u>
	EPS (note 23)				
9710	Basic	<u>\$ 1.60</u>		<u>\$ 1.61</u>	
9810	Diluted	<u>\$ 1.60</u>		<u>\$ 1.61</u>	

Formosa Oilseed Processing Co., Ltd.  
Parent Company Only Statements of Changes in Equity  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands;  
EPS in NTD

Code		Ordinary Shares (note 19)		Retained Earnings (note 19)			Other Equity		
		No. of Shares (1000)	Amount	Capital Surplus (note 19)	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange difference converted in foreign operating institutions' financial statements	Total Equity
A1	January 1, 2022 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 )
		-	-	-	45,357	-	( 395,282 )	-	( 349,925 )
C17	Shareholder's overdue unclaimed dividends	-	-	417	-	-	-	-	417
D1	2022 net profit	-	-	-	-	-	368,994	-	368,994
D3	2022 other comprehensive income	-	-	-	-	-	9,987	2,616	12,603
D5	2022 total comprehensive income	-	-	-	-	-	378,981	2,616	381,597
Z1	December 31, 2022 Balance	<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>
	2022 Earnings Appropriation and Disposition								
B1	Legal reserve	-	-	-	37,898	-	( 37,898 )	-	-
B5	Shareholders' cash dividend – NTD 1.50 per share	-	-	-	-	-	( 328,055 )	-	( 328,055 )
B9	Shareholders' stock dividend – NTD 0.50 per share	10,935	109,352	-	-	-	( 109,352 )	-	-
		10,935	109,352	-	37,898	-	( 475,305 )	-	( 328,055 )
C17	Shareholder's overdue unclaimed dividends	-	-	1,023	-	-	-	-	1,023
D1	2023 net profit	-	-	-	-	-	367,879	-	367,879
D3	2023 other comprehensive income	-	-	-	-	-	794	( 2,385 )	( 1,591 )
D5	2023 total comprehensive income	-	-	-	-	-	368,673	( 2,385 )	366,288
Z1	December 31, 2023 balance	<u>229,638</u>	<u>\$ 2,296,382</u>	<u>\$ 123,145</u>	<u>\$ 341,559</u>	<u>\$ 200,454</u>	<u>\$ 653,809</u>	<u>( \$ 103,218 )</u>	<u>\$ 3,512,131</u>

Formosa Oilseed Processing Co., Ltd.  
Parent Company Only Statements of Cash Flows  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands

Code		2023	2022
	Cash flows for operating activities		
A10000	Profit before tax	\$ 423,169	\$ 452,583
A20010	Profit and loss items		
A20100	Depreciation expense	79,814	59,638
A20200	Amortization expense	350	42
A20300	Expected loss of credit impairment	1,220	317
A20900	Interest expense	45,677	31,204
A21200	Interest income	( 3,604 )	( 1,409 )
A22300	Gain on subsidiary companies and affiliated enterprises accounted for using equity method	( 124,333 )	( 37,843 )
A22500	Gain on disposal of property, plant, and equipment	( 219 )	( 698 )
A23700	Inventory falling price loss	-	6,864
A23900	Realized (unrealized) sales profit with subsidiary companies and affiliated enterprises	( 351 )	226
A24100	Unrealized loss on exchange	123	-
A30000	Net change in operating assets and liabilities		
A31130	Notes receivable	36,345	( 7,920 )
A31140	Notes receivable – related parties	( 509 )	( 1,746 )
A31150	Accounts receivable	128,516	( 95,937 )
A31160	Accounts receivable – related parties	51,637	( 33,781 )
A31180	Other receivables	4,777	1,756
A31190	Other receivables – related parties	358	150,261
A31200	Inventory	112,274	( 212,570 )
A31230	Prepayments	88,204	85,186
A31240	Other current assets	( 16 )	-
A32130	Notes payable	( 208 )	( 194 )
A32150	Accounts payable	( 133,332 )	( 3,752 )
A32160	Accounts payable – related parties	26,801	( 9,635 )
A32180	Other payables	24,115	( 782 )
A32230	Other current liabilities	179	( 3,590 )
A32240	Net defined benefit liabilities	( 577 )	( 390 )
A33000	Cash from operating activities	760,410	377,830
A33100	Interest income	3,129	934

(next page)

(Continued)

Code		2023	2022
A33300	Interest expenses	(\$ 45,572)	(\$ 31,002)
A33500	Tax expenses	( 82,045)	( 88,400)
AAAA	Net cash inflow from operating activities	<u>635,922</u>	<u>259,362</u>
	Investment cash flows		
B00050	Disposal of financial assets at amortized cost	-	96,705
B02700	Obtainment of property, plant, and equipment (note 24)	( 35,245)	( 148,125)
B02800	Disposal of property, plant, and equipment cost	-	762
B03700	Decrease of guarantee deposits paid	586	-
B04500	Purchasing of intangible assets	( 824)	( 1,028)
B06700	Decrease (increase) of other non-current assets	( 2,675)	35
B07500	Interest income	475	483
B07600	Dividend gained from subsidiary companies and affiliated enterprises	<u>44,000</u>	<u>87,962</u>
BBBB	Net cash inflow from investing activities	<u>6,317</u>	<u>36,794</u>
	Financing activities cash flows		
C00100	Decrease of short-term loans	( 233,559)	( 121,093)
C00500	Decrease of short-term notes payable	-	( 230,000)
C01600	Long-term loans	110,000	1,450,000
C01700	Repayment of long-term loans	( 210,000)	( 1,050,000)
C03000	Increase of margin deposit	227	60
C04020	Repayment of lease liabilities principal	( 6,377)	( 6,991)
C04500	Issuance of cash dividend	( 328,055)	( 349,925)
C05700	Shareholder's overdue unclaimed dividends	<u>1,023</u>	<u>417</u>
CCCC	Net cash outflows on financing activities	( <u>666,741</u> )	( <u>307,532</u> )
DDDD	Impact owing to fluctuation in exchange	( <u>69</u> )	( <u>142</u> )
EEEE	Net decrease in cash	( 24,571)	( 11,518)
E00100	BOY cash balance	<u>644,773</u>	<u>656,291</u>
E00200	Year-end cash balance	<u>\$ 620,202</u>	<u>\$ 644,773</u>

## 【Appendix 3】 (Consolidated Financial Statements)

### **Independent Auditors' Report**

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

#### **Opinion**

The consolidated balance sheets for December 31, 2023 and 2022 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 to consolidated financial statements (including summaries for significant accounting policies) from January 1 to December 31, 2023 and 2022, 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, 2023 and 2022, and its consolidated financial performance and consolidated cash flow from January 1 to December 31, 2023 and 2022.

#### **The Basis of Opinion**

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

#### **Key Audit Matters (KAMs)**

Key Audit Matters (KAMs) refers to the most important matters that, to the Accountant's professional judgment, finds in Formosa Group's 2023 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 2023 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, 2023, the amount for the Formosa Group's in-transit inventory and raw material is NTD 1,712,701 thousands (refer to note 9), which accounts for 20% of total assets, and 84% of net inventory value for the consolidated financial statement for December 31, 2023. 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 material's 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 result 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 2023 and 2022, and the Accountant had issued unqualified opinion audit report as on record for reference.

## **Responsibilities of Management and Those Charged with Governance for the Consolidated 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.

### **Auditors' responsibilities for the audit of the 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.

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

1. Identify and 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 believes 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 2023 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.

Independent Accountants  
Hsieh, Chien-Hsin  
Chang, Keng-Hsi

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
March 13, 2024

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies  
Consolidated Balance Sheets  
December 31, 2023 and 2022

Unit: NTD thousands

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	<b>Current assets</b>				
1100	Cash and cash equivalents (notes 4 & 6)	\$ 945,308	11	\$ 1,022,951	11
1150	Notes receivable (notes 4, 8 & 23)	411,706	5	423,729	4
1160	Notes receivable – related parties (notes 4, 23 & 30)	-	-	87	-
1170	Accounts receivable (notes 4, 8 & 23)	1,063,893	12	1,299,430	14
1180	Accounts receivable – related parties (notes 4, 23 & 30)	331,571	4	358,128	4
1200	Other receivables (notes 4 & 8)	18,561	-	21,062	-
1210	Other receivables – related parties (notes 4 & 30)	-	-	40	-
1220	Current tax assets (notes 4 & 25)	11,283	-	12,231	-
130X	Inventory (notes 4, 5 & 9)	2,027,098	23	2,180,620	23
1410	Prepayments (note 10)	72,051	1	164,337	2
1479	Other current assets	16	-	-	-
11XX	Total current assets	<u>4,881,487</u>	<u>56</u>	<u>5,482,615</u>	<u>58</u>
	<b>Non-current assets</b>				
1535	Financial assets measured at amortized cost – non-current (notes 4, 7 & 31)	35,000	-	39,500	1
1550	Investments by equity method (notes 4 & 12)	316,021	4	305,839	3
1600	Property, plant, and equipment (notes 4, 13 & 31)	3,182,932	37	3,286,771	35
1755	ROU assets (notes 4 & 14)	242,314	3	254,517	3
1780	Intangible assets (notes 4 & 15)	1,467	-	993	-
1830	Biological assets (notes 4 & 16)	11,729	-	8,771	-
1840	Deferred tax assets (notes 4 & 25)	27,182	-	35,693	-
1990	Other non-current assets (note 4, 17)	22,390	-	26,464	-
15XX	Total non-current assets	<u>3,839,035</u>	<u>44</u>	<u>3,958,548</u>	<u>42</u>
1XXX	Total assets	<u>\$ 8,720,522</u>	<u>100</u>	<u>\$ 9,441,163</u>	<u>100</u>
	<b>Liabilities and Equity</b>				
	<b>Current liabilities</b>				
2100	Short-term loans (note 18)	\$ 2,390,528	27	\$ 2,938,026	31
2110	Short-term notes and bills payables (note 18)	49,976	1	109,936	1
2150	Notes payable (note 19)	7,038	-	7,240	-
2160	Notes payable – related parties (note 30)	22	-	33	-
2170	Accounts payable (note 19)	218,492	3	346,167	4
2180	Accounts payable – related parties (note 30)	51,369	1	7,256	-
2219	Other payables (note 20)	207,568	2	160,903	2
2220	Other payables – related parties (note 30)	333	-	321	-
2230	Current tax liabilities (notes 4 & 25)	35,003	-	57,569	-
2280	Lease liabilities – current (notes 4, 14 & 30)	13,029	-	12,846	-
2320	Long-term loans due within one year (notes 4, 18 & 31)	161,818	2	161,818	2
2399	Other current liabilities (note 23)	5,549	-	3,778	-
21XX	Total current liabilities	<u>3,140,725</u>	<u>36</u>	<u>3,805,893</u>	<u>40</u>
	<b>Non-current liabilities</b>				
2540	Long-term loans (notes 4, 18 & 31)	1,304,545	15	1,429,364	15
2570	Deferred tax liabilities (notes 4 & 25)	95,560	1	95,560	1
2580	Lease liabilities – non-current (notes 4, 14 & 30)	237,095	3	247,437	3
2640	Net defined benefit liabilities (notes 4 & 21)	7,567	-	8,685	-
2645	Margin deposit	2,077	-	1,850	-
25XX	Total non-current liabilities	<u>1,646,844</u>	<u>19</u>	<u>1,782,896</u>	<u>19</u>
2XXX	Total liabilities	<u>4,787,569</u>	<u>55</u>	<u>5,588,789</u>	<u>59</u>
	<b>Equity Attributed to the Owner(s) of the Parent Company</b>				
3110	Ordinary share	2,296,382	26	2,187,030	23
3200	Capital reserves	123,145	1	122,122	1
	<b>Retained earnings</b>				
3310	Statutory retained earnings	341,559	4	303,661	4
3320	Special retained earnings	200,454	2	200,454	2
3350	Undistributed earnings	653,809	8	760,441	8
3300	Total retained earnings	1,195,822	14	1,264,556	14
3400	Other equity interest	(103,218)	(1)	(100,833)	(1)
31XX	Total equity for owner of parent company	3,512,131	40	3,472,875	37
36XX	Non-controlling interest	420,822	5	379,499	4
3XXX	Total equity	<u>3,932,953</u>	<u>45</u>	<u>3,852,374</u>	<u>41</u>
	Total liabilities and equity	<u>\$ 8,720,522</u>	<u>100</u>	<u>\$ 9,441,163</u>	<u>100</u>

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies  
Consolidated Statements of Comprehensive Income  
January 1 to December 31, 2023 and 2022

Unit: NTD thousands;  
EPS in NTD

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (notes 4, 23 & 30)				
4110	Sales income	\$ 14,590,543	100	\$ 15,328,557	100
4170	Subtract: sales returns and allowances	<u>51,365</u>	<u>-</u>	<u>57,009</u>	<u>-</u>
4100	Net operating income	14,539,178	100	15,271,548	100
4660	Processing income	1,947	-	1,993	-
4610	Other operating revenue	<u>2,684</u>	<u>-</u>	<u>820</u>	<u>-</u>
4000	Total operating revenue	<u>14,543,809</u>	<u>100</u>	<u>15,274,361</u>	<u>100</u>
	Operating cost				
5110	Cost of sales (notes 9 & 30)	13,482,211	93	14,304,078	94
5660	Processing costs	<u>1,001</u>	<u>-</u>	<u>1,018</u>	<u>-</u>
5000	Total operating cost	<u>13,483,212</u>	<u>93</u>	<u>14,305,096</u>	<u>94</u>
5850	Gains on initial recognition of agricultural products (note 16)	<u>42,794</u>	<u>-</u>	<u>31,452</u>	<u>-</u>
5900	Gross profit	1,103,391	7	1,000,717	6
5910	Realized (unrealized) sales profit with affiliated enterprises	<u>382</u>	<u>-</u>	( <u>175</u> )	<u>-</u>
5950	Realized gross profit	<u>1,103,773</u>	<u>7</u>	<u>1,000,542</u>	<u>6</u>
	Operating expenses (note 30)				
6100	Promotion expenses	400,927	3	420,922	3
6200	Management expenses	197,873	1	180,446	1
6300	Research and development expenses	41,894	-	38,584	-
6450	Expected credit losses (reversal gains) (note 8)	<u>3</u>	<u>-</u>	( <u>1,031</u> )	<u>-</u>
6000	Total operating expenses	<u>640,697</u>	<u>4</u>	<u>638,921</u>	<u>4</u>
6510	Other net revenue and expenses (note 24)	\$ <u>8</u>	<u>-</u>	( \$ <u>817</u> )	<u>-</u>
6900	Operating profit	<u>463,084</u>	<u>3</u>	<u>360,804</u>	<u>2</u>
	Non-operating income and expenses				
7060	Gains on affiliated enterprises, accounted for using equity method	53,548	-	57,233	1
7100	Interest income	6,917	-	3,697	-

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Code		2023		2022	
		Amount	%	Amount	%
7230	Foreign currency exchange net profit (note 24)	34,386	-	51,446	-
7110	Rent income (note 30)	1,414	-	1,222	-
7190	Other income	5,741	-	3,853	-
7510	Interest expense (notes 24 & 30)	( 74,753 )	-	( 54,903 )	-
7590	Miscellaneous expense	( 256 )	-	( 1,625 )	-
7000	Total non-operating income and expenses	<u>26,997</u>	<u>-</u>	<u>60,923</u>	<u>1</u>
7900	Profit before tax	490,081	3	421,727	3
7950	Income tax fees (notes 4 & 25)	<u>80,879</u>	<u>-</u>	<u>74,580</u>	<u>1</u>
8200	Net profit	<u>409,202</u>	<u>3</u>	<u>347,147</u>	<u>2</u>
	Other comprehensive income				
8310	Items not reclassified under profit and loss				
8311	Remeasurements of defined benefit plan (note 4 & 21)	542	-	9,477	-
8320	Other comprehensive income of affiliated enterprises, accounted for using equity method	<u>252</u>	<u>-</u>	<u>510</u>	<u>-</u>
		<u>794</u>	<u>-</u>	<u>9,987</u>	<u>-</u>
8360	Items that may be reclassified under profit and loss afterwards				
8361	Exchange difference after conversion of foreign operations' financial statements	( \$ 2,385 )	-	\$ 2,616	-
8300	Total other (net) comprehensive income	( <u>1,591</u> )	<u>-</u>	<u>12,603</u>	<u>-</u>
8500	Total comprehensive income	<u>\$ 407,611</u>	<u>3</u>	<u>\$ 359,750</u>	<u>2</u>
	Net profit belongs to:				
8610	Owner(s) of parent company	\$ 367,879	3	\$ 368,994	2
8620	Non-controlling interest	<u>41,323</u>	<u>-</u>	( <u>21,847</u> )	<u>-</u>
8600		<u>\$ 409,202</u>	<u>3</u>	<u>\$ 347,147</u>	<u>2</u>
	Total comprehensive income belongs to:				
8710	Owner(s) of parent company	\$ 366,288	3	\$ 381,597	2
8720	Non-controlling interest	<u>41,323</u>	<u>-</u>	( <u>21,847</u> )	<u>-</u>
8700		<u>\$ 407,611</u>	<u>3</u>	<u>\$ 359,750</u>	<u>2</u>
	EPS (note 26)				
9710	Basic	<u>\$ 1.60</u>		<u>\$ 1.61</u>	
9810	Diluted	<u>\$ 1.60</u>		<u>\$ 1.61</u>	

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies  
Consolidated Statements of Changes in Equity  
January 1 to December 31, 2023 and 2022

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, 2022 balance	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 balance	218,703	2,187,030	122,122	303,661	200,454	760,441	( 100,833 )	3,472,875	379,499	3,852,374
	Appropriation and distribution of earnings for 2022										
B1	Statutory earnings reserve	-	-	-	37,898	-	( 37,898 )	-	-	-	-
B5	Shareholder's cash dividend – NTD 1.50 per share	-	-	-	-	-	( 328,055 )	-	( 328,055 )	-	( 328,055 )
B9	Shareholder's stock dividend – NTD 0.50 per share	10,935	109,352	-	-	-	( 109,352 )	-	-	-	-
		10,935	109,352	-	37,898	-	( 475,305 )	-	( 328,055 )	-	( 328,055 )
C17	Shareholder's overdue unclaimed dividends	-	-	1,023	-	-	-	-	1,023	-	1,023
D1	2023 net profit	-	-	-	-	-	367,879	-	367,879	41,323	409,202
D3	2023 other comprehensive income	-	-	-	-	-	794	( 2,385 )	( 1,591 )	-	( 1,591 )
D5	2023 total comprehensive income	-	-	-	-	-	368,673	( 2,385 )	366,288	41,323	407,611
Z1	Dec 31, 2023 balance	229,638	\$ 2,296,382	\$ 123,145	\$ 341,559	\$ 200,454	\$ 653,809	( \$ 103,218 )	\$ 3,512,131	\$ 420,822	\$ 3,932,953

Formosa Oilseed Processing Co., Ltd. & Subsidiary Companies

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

Code		2023	2022
	Cash Flow for Operating Activities		
A10000	Net profit before tax	\$ 490,081	\$ 421,727
A20010	Income and expenses items		
A20100	Depreciation expense	190,676	174,986
A20200	Amortization expense	2,769	2,811
A20300	Expected credit losses (reversal gains)	3	( 1,031 )
A20900	Interest expense	74,753	54,903
A21200	Interest income	( 6,917 )	( 3,697 )
A22300	Gains on affiliated enterprises accounted for using equity method	( 53,548 )	( 57,233 )
A29900	Gains on originally recognized agricultural products	( 42,794 )	( 31,452 )
A22500	Disposal of gains on property, plant and equipment	( 1 )	( 515 )
A22700	Gains on lease modification	( 7 )	-
A22900	Disposal of loss on biological assets	-	1,332
A23700	Inventory falling price loss	-	7,445
A23900	Unrealized (realized) sales profits with affiliated enterprises	( 382 )	175
A24100	Unrealized gains on exchange	( 2,093 )	-
A30000	Net variables of operating assets and liabilities		
A31130	Notes receivable	12,023	8,638
A31140	Notes receivable – related parties	87	107
A31150	Accounts receivable	235,594	( 162,182 )
A31160	Accounts receivable – related parties	26,557	4,331
A31180	Other receivables	3,482	1,803
A31190	Other receivables– related parties	40	( 40 )
A31200	Inventory	196,316	( 319,861 )
A31230	Prepayments	89,867	98,554
A31240	Other current assets	( 16 )	1
A32130	Notes payable	( 202 )	( 1,390 )
A32140	Notes payable – related parties	( 11 )	( 44 )
A32150	Accounts payable	( 127,675 )	( 2,889 )
A32160	Accounts payable – related parties	44,125	( 20,070 )
A32180	Other payables	50,865	( 13,149 )
A32210	Receipts in advance	1,605	( 4,599 )
A32230	Other current liabilities	166	( 10 )
A32240	Net defined benefit liabilities	( 576 )	( 390 )
A33000	Cash generated from operations	1,184,787	158,261

(next page)

(Continued)

Code		2023	2022
A33100	Interest income	\$ 5,822	\$ 2,361
A33300	Interest expense	( 75,329 )	( 53,454 )
A33500	Income tax expense	( 94,192 )	( 107,705 )
AAAA	Net cash inflow (outflow) from operating activities	<u>1,021,088</u>	<u>( 537 )</u>
	Investment activities cash flow		
B00040	Financial assets obtained at amortized cost	-	( 5,000 )
B00050	Disposal of financial assets at amortized cost	4,500	97,830
B02700	Obtained property, plant and equipment (note 27)	( 70,785 )	( 202,423 )
B02800	Disposal of property, plant and equipment proceeds	9	812
B04500	Purchasing of intangible assets	( 824 )	( 1,028 )
B09900	Purchasing of biological assets (note 27)	( 11,260 )	( 23,855 )
B04600	Disposal of biological assets proceeds	-	93
B03700	Decrease (increase) in refundable deposits	6,023	( 6,243 )
B06700	Decrease (increase) in other non-current assets	( 491 )	866
B07500	Interest income	485	2,105
B07600	Obtained dividend from affiliated enterprises	<u>44,000</u>	<u>36,000</u>
BBBB	Net cash in(out)flow from investment activities	<u>( 28,343 )</u>	<u>( 100,843 )</u>
	Financing activities cash flow		
C00100	Increase (decrease) in short-term loans	( 547,498 )	255,792
C00500	Decrease in short-term notes payable	( 60,000 )	( 340,000 )
C01600	Long-term loan	582,000	1,794,000
C01700	Repayment of long-term loan	( 706,819 )	( 1,304,818 )
C03000	Increase (decrease) in margin deposit	227	60
C04020	Repayment of lease liability capital	( 11,141 )	( 11,745 )
C04500	Distribution of cash dividend	( 328,055 )	( 349,925 )
C05700	Shareholder's overdue unclaimed dividends	1,023	417
C09900	Non-controlling interest dividend expense	<u>-</u>	<u>( 30,312 )</u>
CCCC	Net cash in (out) flow of financing activities	<u>( 1,070,263 )</u>	<u>13,469</u>
DDDD	Impact from exchange rate changes	<u>( 125 )</u>	<u>2,544</u>
EEEE	Net decrease of cash and cash equivalents	( 77,643 )	( 85,367 )
E00100	BOY balance for cash and cash equivalents	<u>1,022,951</u>	<u>1,108,318</u>
E00200	Year-end balance for cash and cash equivalents	<u>\$ 945,308</u>	<u>\$ 1,022,951</u>

【Appendix 4】

Shareholdings of Directors

I. Individual and total shares held by directors recorded in the shareholder register as of April 28, 2024 (record date for the shareholders' meeting suspension of transfer):

Title	Name	Date of Appointment	Number of Shares Held at Appointment	Number of Shares Held as Recorded in the Shareholder Register on the Record Date	
				Number of Shares	Percentage
Chairman	Jin-Sheng Investment Ltd. Representative: Shu, Yi-Cheun	2022.06.23	2,177,419	2,286,289	1.00%
Vice Chairman	ANHE investment holding Corporation. Representative : Wu, Xing-Cheng	2022.06.23	215,000	225,750	0.10%
Director	MORN SUN FEED MILL CORPORATION Representative: Wu, Qing-De	2022.06.23	5,169,889	5,428,383	2.36%
Director	TAI SHENG OCEAN DEVELOPMENT CO., LTD. Representative: Zheng, Yi-Jia	2022.06.23	2,798,619	2,938,549	1.28%
Director	SHIN FONG TRADING CO., LTD. Representative: Zheng, Zhao-Heng	2022.06.23	15,294,867	16,924,810	7.37%
Director	SHIN TAI INDUSTRY CO., LTD. Representative: Yeh, Tzu-Ling	2022.06.23	21,731,939	26,070,385	11.35%
Independent Director	LU, HSING-HUA	2022.06.23	0	0	0.00%
Independent Director	WANG, SHANG-JEN	2022.06.23	0	0	0.00%
Independent Director	LIEN, JEN-LUNG	2022.06.23	0	0	0.00%
Total of Director's			47,387,733	53,874,166	23.46%

II. Total number of shares issued by the company: 229,638,204 shares.

III. Statutory minimum number of shares that all directors should hold: 12,000,000 shares.

# Regulations

# FORMOSA OILSEED PROCESSING CO., LTD.

## Articles of Incorporation

June 29, 2023

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 1<sup>st</sup> of January of each year and ends on 31<sup>st</sup> 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 but not 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, thereto 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 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 (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) for the current year every 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.

28th Amendment was made on June 29, 2023.

# FORMOSA OILSEED PROCESSING CO., LTD.

## Rules of Procedure for Shareholders' Meeting

June 29, 2023

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, 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.

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 shareholder 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 have 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. 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.

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 shareholder 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 Shareholder 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 (or proxy) 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.