Ticker Symbol: 1225

Formosa Oilseed Processing Co., Ltd.

Individual Financial Statement and Accountant's Audit Report

2022 and 2021

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Accountant's Audit Report

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

Opinion

FOPCO's individual balance sheets for December 31, 2022 and 2021, and individual statements of comprehensive income from January 1 to December 31, 2022 and 2021, individual statements of changes in equity, individual statements of cash flows, and notes for indivudual financial statements (including summaries for significant accounting policies), have already been audited by the Accountant. According to the Accountant's opinion, the preparation of all significant aspects of the above-mentioned individual financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities. It is sufficient to appropriately express FOPCO's individual financial situation for December 31, 2022 and 2021, and its individual financial performance and individual cash flow from January 1 to December 31, 2022 and 2021.

The Basis of Opinion

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

Key Audit Matters

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

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

Depreciation of Inventories

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

As of December 31, 2022, the amount for FOPCO's in-transit inventory and raw material is NTD 1,119,325 thousands (refer to note 9), which accounts for 16% of total assets, and 82% of net inventory value for the individual financial statement for December 31, 2022. Of which, its costs and related selling price are influenced by global raw material prices, which is possible for violent fluctuations, and will result in the risk of having the raw 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.

Management Level and Governing Body's Responsibilities for Financial Statements

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

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

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

Responsibilities for Accountants' Auditing of Individual Financial Statements

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

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

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

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

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

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

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

Deloitte Touche Tohmatsu Limited

Accountant Liao, Wan-Yi Accountant Chen, Zhao-Mei

Financial Supervisory Commission Approval Number
No. Financial-Supervisory-Securities-Auditing-1010028123

Securities and Futures Commision Approval Number
No. Taiwan-Financial-Securities-VI-0920123784

March 15, 2023

Formosa Oilseed Processing Co., Ltd.

Individual Balance Sheets

December 31, 2022 and 2021

Unit: NTD thousands

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

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: NTD thousands; EPS in NTD

Code		2022		2021	
		Amount	%	Amount	%
	Operating revenue (notes 4, 21 & 28)				
4110	Sales income	$ 11,461,761	100	$ 9,566,193	100
4170	Subtract: sales returns and allowances	12,757	-	15,857	-
4100	Net operating income	11,449,004	100	9,550,336	100
4600	Service revenue	820	-	-	-
4000	Total operating revenue	11,449,824	100	9,550,336	100
	Operating cost				
5110	Cost of sales (notes 9 & 28)	10,652,062	93	8,763,985	92
5600	Service costs	432	-	-	-
5000	Total operating cost	10,652,494	93	8,763,985	92
5900	Gross profit	797,330	7	786,351	8
5910	Unrealized profit with subsidiary companies and affiliated enterprises	(226)	-	(71)	-
5950	Realized gross profit	797,104	7	786,280	8
	Operating expenses (note 28)				
6100	Promotion expenses	270,275	3	248,766	3
6200	Management expenses	119,009	1	125,809	1
6300	Development expenses	14,009	-	10,800	-
6450	Expected loss of credit impairment (note 8)	317	-	60	-
6000	Total operating expenses	403,610	4	385,435	4
6510	Other net revenue and expenses (note22)	698	-	217	-
6900	Net operating profit	394,192	3	401,062	4
	Non-operating income and expenses				
7070	Gains on subsidiary companies and affiliated enterprises, accounted for using equity method (note 4)	37,843	-	116,079	1

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

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NTD thousands;
EPS in NTD

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

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Individual Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NTD thousands

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

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

The notes attached are part of this individual financial statement.

Formosa Oilseed Processing Co., Ltd.

Notes for Individual Financial Statements

January 1 to December 31, 2022 and 2021

(Unless stated otherwise, the amounts' unit is in NTD thousands)

I. Company's History

Formosa Oilseed Processing Company Co., Ltd. (hereafter referred to as "the Company") was established in 1986. Since September 1993, the Company's share has been listed for transaction on Taiwan Stock Exchange. Our main businesses include the manufacturing and the selling of soybean oil, soy flour, flour, oatmeal, corn, pet food, and import and export transactions. The Company's subsidiary company "Top Food Industry Corporation" (Top Food) started to operate since October 2007, and its main business includes producing and selling flour. Thus, the Company no longer engages in the production of flour.

This individual financial statement is expressed in the Company's functional currency New Taiwan Dollars (NTD).

II. Date of Approval and Procedures for Financial Report

This individual financial report was approved by the board of directors on March 15, 2023.

III. Application of Newly Announced Standards for Amendments and Explanations

(1) First time applicable of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretation Committee (SICs) (hereafter referred to as IFRSs) as approved and announced effective by the Financial Supervisory Commission (hereafter referred to as FSC).

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB
"Annual Improvements to IFRS standards 2018-2020"	Jan 1, 2022
Amendments to IFRS 3 "Reference to the Conceptual Framework"	Jan 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	Jan 1, 2022
Amendments to IAS 37 "Onerous Contracts — Cost of Fulfilling a Contract"	Jan 1, 2022

The application of the IFRSs as approved and announced effective by the FSC will not necessarily cause significant changes in the Company's accounting policies.

(2) The Application of the IFRSs as Approved by the FSC for 2023

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB
Amendments to IAS 1, "Disclosure of Accounting Policies"	Jan 1, 2023 (note 1)
Amendments to IAS 8, "Definition of Accounting Estimates"	Jan 1, 2023(note 2)
Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	Jan 1, 2023 (note 3)

Note 1: This amendment is applicable to the annual reporting period after January 1, 2023.

Note 2: This amendment is applicable to changes in accounting estimates and changes in accounting policies during the annual reporting period after January 1, 2023.

Note 3: This amendment is applicable to transactions occurring after January 1, 2022, except for the recognition of deferred tax on temporary differences in lease and decommissioning obligations occurring on January 1, 2022.

As of the date of announcement of the approval of this individual financial statement, the Company's estimation criteria and the amendments to IFRIC will not necessarily cause significant impact on the Company's financial status and financial performance.

(3) IFRSs Announced by the International Accounting Standards Board (IASB) but Not Yet Approved by the FSC

Newly Announced／Amended／Amendment(s) & IFRIC	Effective Date for Announcement of IASB (note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Undecided
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback	Jan 1, 2024 (note 2)
Amendments to IFRS 17, "Insurance Contracts"	Jan 1, 2023
Amendments to IFRS 17	Jan 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	Jan 1, 2023
Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current"	Jan 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	Jan 1, 2024

Note 1: Unless noted otherwise, the above-mentioned newly announced/amended/amendment or IFRICs are effective during the annual reporting period after the respective dates.

Note 2: The seller-lessee shall retrospectively apply the amendments to IFRS 16 to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16.

As of the announcement date for the approval of this individual financial report, the Company still continues to evaluate the impacts that the amendments of standards and IFRICs have caused on the Company's financial status and financial performance. Related impacts will be disclosed when the evaluation is completed.

IV. Statement for Summaries for Significant Accounting Policies

(1) Compliance Assertion

This individual financial statement was prepared by referring to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

(2) Preparation Basis

Except for the net defined benefit liabilities accounted for using the present value for defined benefit obligation subtracting planned assets at fair value, this individual financial statement was prepared on the basis of historical cost.

When preparing individual financial statements, the Company handles invested subsidiary companies and affiliated enterprises by using equity methods. In order to have this individual financial statements' current year profit and loss, other comprehensive income, and equity the same as the Company's consolidated financial statements' current year profit and loss, other comprehensive income, and equity as belonging to the Company's owner(s), the accountants' handling of differences under individual basis and consolidated basis was to adjust "investments accounted for using equity method," "gains on subsidiary companies and affiliated enterprises accounted for using equity method," and "share of other comprehensive income of affiliated enterprises accounted for using equity method" and related equity items.

(3) Standards for Distinguishing Current and Non-Current Assets and Liabilities

Current assets include:

1. Assets possessed mainly for transaction purposes;
2. Assets expected to be realized within 12 months after the date of balance sheet; and
3. Cash (but excluding those restricted to the exchange or settlement of liabilities for more than 12 months after the date of balance sheet).

Current liabilities include:

1. Liabilities possessed mainly for transaction purposes;
2. Liabilities at maturity for settlement within 12 months after the date of balance sheet; and
3. Liabilities of which its settlement period cannot be unconditionally deferred to at least 12 months after the date of balance sheet.

Those that do not belong to the above-mentioned current assets or current liabilities are classified under non-current assets or non-current liabilities.

(4) Foreign Currencies

When preparing individual financial statements, the Company, transactions made other than the Company's functional (foreign) currency are converted into the Company's functional currency for recording by referring to the exchange rate on the date of transaction.

The monetary items in foreign currencies are converted at the closing exchange rage on every date of balance sheet. The exchange difference generated from settling monetary items or converting monetary items will be recognized as the current year's profit or loss.

Non-monetary items in foreign currencies measured at fair value are converted at the exchange rate on the day of determining the fair value, and the exchange difference generated is recognized as the current year's profit or loss. However, for items that belong to the changes in fair value and recognized as other comprehensive income, their exchange difference generated will be recognized as other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are converted at the exchange rate on the date of transaction, and will not be reconverted.

When preparing the individual financial statement, foreign operating institutions' (including the country of operation or subsidiary companies that use different currencies from the Company) assets and liabilities are converted to NTD at the exchange rate on every date of balance sheet. The income and expense items are converted at the average exchange rate for the current year, and the exchange difference generated is recognized as other comprehensive income.

(5) Inventory

Inventories include (in transit) raw materials, materials, finished goods, work in progress, and products. Inventories are measured at lower of cost and NRV. When comparing the cost and the NRV, apart from inventories with the same classification, the Company measures on the basis of individual items of inventories. NRV refers to the balance after subtracting the estimated cost that still needs to be invested until completion and the estimated cost to complete the sell from the estimated selling price under normal circumstances. Inventory cost is calculated by using weighted average method.

(6) Investments in Subsidiary Companies

The Company uses equity method to deal with its investments in subsidiary companies. Subsidiary companies refer to entities that the Company has control over.

Under the equity method, investments were originally recognized as costs, the increase or decrease of the carrying amount after the obtained date varies according to the Company's profit or loss owing to its subsidiary companies and the share of other comprehensive income, as well as profit distribution of profit. Moreover, the Company's benefits in subsidiary companies' changes in equity are recognized according to its shareholding ratio.

When the Company evaluates its impairment loss, it takes into account of the individual financial statements as a whole to consider cash generating units, and compares its recoverable amount and carrying amount. If the recoverable amount of assets increases afterwards, the reversal of impairment loss will be recognized as gains. However, the carrying amount for assets after impairment loss reversal cannot exceed the assets' carrying amount after subtracting the amortization that should be recognized if impairment loss is not recognized.

The Company and subsidiary companies' unrealized profits and losses for downstream transactions are eliminated from individual financial reports. The profits or losses from the Company and subsidiary companies' upstream transactions are solely within the range that is unrelated to the Company's equity in the subsidiary companies, and are recognized in individual financial reports.

(7) Investments in Affiliated Enterprises

Affiliated enterprises are enterprises that have significant influences on the Company, but do not belong to subsidiary companies or joint ventures. The Company conducts the equity method in investing in affiliated enterprises. Under the equity method, the investments in affiliated enterprises are originally recognized as costs, and the carrying amount obtained in the future will increase or decrease according to the Company's benefits from the affiliated enterprises' income and other comprehensive income, and profit distribution. In addition, the Company's benefit in affiliated enterprises' changes in equity is recognized according to its shareholding ratio.

If the Company does not subscribe according to its shareholding ratio when affiliated enterprises issue new shares, and causes changes in shareholding ratio, and further results in the decrease or increase of invested equity net value, the Company increases or decreases the amount to adjust its capital surplus and investments accounted for using equity method. If the aforementioned adjustment should debit capital surplus, and the capital surplus balance from investment accounted for using equity method is insufficient, its difference should be recognized as retained earnings under the debit column.

When the Company evaluates its impairment loss, it regards the overall carrying amount of the investment as a single asset, and compares recoverable amounts with the carrying amount to perform the impairment test. The recognized impairment loss is not allocated to any assets that form parts of the investment's carrying amount, including goodwill. Any impairment loss reversals can be recognized within the range of subsequent increases in such investment's recoverable amount.

The profits or losses from upstream and downstream transactions between the Company and the affiliated enterprises are solely within the range that is unrelated to the Company's equity in the affiliated enterprises, and are recognized in individual financial reports.

(8) Property, Plant, and Equipment

Property, plant, and equipment are recognized as costs, of which the amount will later be measured by cost subtracting accumulated depreciation.

Property, plant, and equipment's significant parts were separately depreciated within the useful life using the straightline method. The Company scans the estimation of useful life, residual value, and depreciation method at least on the last day of every year, and postpones the impact of changes in applicable accounting estimations.

When property, plant, and equipment are derecognized, the difference between the net disposal proceeds and such asset's carrying amount is recognized as profit or loss.

(9) Intangible assets

The intangible assets with finite useful lives acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over the useful lives of the intangible assets. The Company reviews the estimated useful lives, residual values, and amortization methods of intangible assets at least at the end of each year,, and defers the effect of any changes in accounting estimates. Intangible assets with indefinite useful lives are reported at cost less accumulated impairment losses.

(10) Property, Plant, and Equipment, and ROU Assets' Impairment Loss

The Company evaluates whether there are any traces showing possible impairments in property, plant, and equipment, and ROU assets on every date of balance sheet. If any impairment traces exist, the Company will estimate such asset's recoverable amount. If it is impossible to estimate individual asset's recoverable amount, the Company estimates the recoverable amount of the cash generating unit to which such asset belongs.

Recoverable amount is calculated by the higher of fair value subtracting sales cost and its use value. When individual assets or the recoverable amount of the cash generating unit is lower than its carrying amount, such asset or the carrying amount of the cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized under profit or loss.

When impairment loss is subsequently reversed, the carrying amount for such assets or cash generating unit are increased to the recoverable amount after being adjusted. However, the carrying amount after the increase shall not exceed the carrying amount (minus depreciation) determined if such assets or cash-generating unit did not recognize impairment loss in the previous years. The reversal of impairment loss is recognized as profit or loss.

(11) Financial Instruments

When financial assets and financial liabilities become one of the contractual regulations for such instrument of the Company, they are recognized in individual balance sheets.

When originally recognizing financial assets and financial liabilities, if financial assets or financial liabilities do not belong to those measured at fair value through profit or loss, then it is measured by fair value plus financial costs directly attributed to the obtainment or distribution of financial assets or financial liabilities. The transaction costs directly attributed to the obtainment or distribution of financial assets or financial liabilities at fair value through profit or loss shall be recognized as profit or loss immediately.

1. Financial assets

   The regular way purchase or sale of financial assets adopts accounting recognition and derecognition on the trade date.

(1) Types of measurements

The types of financial assets that the Company possesses are financial assets at amortized cost, and investments in equity instrument at fair value through other comprehensive income.

If the Company's investments of financial assets simultaneously meet the two conditions below, then it is categorized as financial assets measured at amortized cost:

A. it is held under a certain business model, and the purpose for such model is to obtain contractual cash flow by holding financial assets; and

B. the cash flow generated on the specific date of contractual regulations, and such cash flow is completely used for principal payment and the interest for outstanding capital.

After the original recognition of financial assets at amortized cost (including cash, notes receivable at amortized cost, accounts receivable, and other receivables), they are measured by the carrying amount determined by effective interest method subtracting any impairment loss after amortized cost. Any profit or loss owing to foreign currency exchange is recognized as profit or loss.

Except for the two conditions below, interest income is calculated by multiplying effective interest rate and financial assets' total carrying amount:

A. Credit-impaired financial assets purchased or created, and the interest income is calculated by multiplying effective interest rate after credit adjustment by financial assets after amortized cost.

B. Financial assets that do not belong to purchased or created credit impairment, but subsequently become credit impairment, and the interest income is calculated by multiplying effective interest rate by financial assets after amortized cost.

(2) Impairment loss of financial assets

The Company assesses its financial assets after amortized cost (including notes receivable and accounts receivable) based on expected credit loss on every date of balance sheet.

Notes receivable and accounts receivable should both be recognized as allowance loss based on the expected credit loss during the duration. Other financial assets are first assessed by whether there is a significant increase in credit risks after the original recognition. If there is no significant increase, then the recognition of allowance loss is based on 12 months' expected credit loss. If there is a significant increase, then the recognition of allowance loss is based on the expected credit loss during the duration.

Expected credit loss is a weighted average credit loss with the risk of default as the weight. The 12 months expected credit loss represents the expected credit loss that is caused by possible default events within the 12 months after the reporting date of the financial instrument. Expected credit loss during the duration represents the expected credit loss caused by the financial instrument's possible default events during the duration.

All carrying amount for financial assets' impairment loss are reduced through the allowance account.

(3) Derecognition of financial assets

The Company's financial assets can only be derecognized when the contractual rights from financial assets cash flows become invalid, or when the financial assets have been transferred and almost all risks and rewards for such assets' ownership have been transferred to other enterprises.

When the financial assets measured after amortized cost is entirely derecognized, the carrying amount and the difference between the considerations received are recognized as profit or loss. When the equity instrument investments at fair value through other comprehensive income are entirely derecognized, the accumulated profit or loss are directly transferred to retained earnings, and will not be re-classified as profit or loss.

2. Financial liabilities

(1) Subsequent measurements

Financial liabilities are measured at amortized cost accounted for using the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, the carrying amount and difference between consideration payments (including any transferred non-cash assets or assumed liabilities) are recognized as profit or loss.

(12) Provisions

Amounts recognized as provisions are to consider obligatory risks and uncertainties, and are the best estimate for the required expense to settle the obligation on the date of balance sheet.

(13) Recognition of income

After the Company identifies performance obligations in customer contracts, it will amortize transaction prices to each performance obligation, and will recognize as income once each performance obligation is fulfilled.

1. Sales income from goods

   The sales income from goods is from the selling of oil, feeds, raw materials, etc.

   When oil, feeds, and raw materials, etc. arrives the customers' designated location/starts shipment, the customers already have the rights to set up prices and the rights to use, and have the main responsibility to re-sale these products. They also have to take the risk for the outdating of goods. The Company recognizes its income and accounts receivable at this point of time.

   During processing, the significant risk and rewards of the ownership to the processed products are not yet transferred, and will not be handled for selling when processing.

2. Service revenue

   Service revenue is derived from providing services such as unloading, weighing, and warehousing. The revenue amount is calculated based on a fixed unit price per processed ton, and the related revenue is recognized when the services are provided.

(14) Lease

The Company evaluates whether the contract belongs to (or includes) lease on the contract establishment date.

1. The Company as the lessor

   When the lease clause transfers almost all risks and rewards attached to the ownership of the asset to the lessee, it is classified as financing lease. All other leases are classified as operating lease.

   Under operating lease, the lease payments are recognized as income on the straight-line basis during related lease periods. Original direct costs happened because of the obtainment of operating lease is added to the target assets' carrying amount, and recognized as expense on the straight-line basis during the lease period.

2. The Company as the lessee

   Except for low-value asset lease that is applicable to recognition exemption, and lease payments for short-term lease that are based on the straight-line basis recognized as expenses during the lease period, other leases are all recognized as ROU assets and lease liabilities on the lease starting date.

   ROU assets are originally measured by costs (including lease liabilities' original measured amount, lease payment before the lease starting date subtracting lease incentives, original direct cost, and estimated cost of restored assets), and subsequently measured by the amount of the cost subtracting accumulated depreciation and accumulated impairment loss, and adjusts the remeasurements of lease liabilities. ROU assets are separately expressed in the individual balance sheet.

ROU assets' depreciation is pre-estimated on a straight-line basis from the lease starting date until the expiration of the useful life whichever is earlier.

Lease liabilities are originally measured by the lease payment's current value (including regular payments). If the interest rate implicit in a lease is easy to determine, the lease payments are discounted with this interest rate. If such interest rate is not easy to determine, then the lessee's increment borrowing interest rate will be used.

Subsequently, lease liabilities are measured by effective interest method after amortized cost, and the interest expense is amortized during the lease period. If the lease period or changes in the rate that is used to determine lease payments result in changes of future lease payments, the Company will remeasure lease liabilities, and relatively adjust ROU assets. However, if the carrying amount for ROU assets decreases to zero, then the remaining remeasured amount will be recognized as profit or loss. Lease liabilities are separately expressed in the individual balance sheet.

(15) Borrowing Costs

The borrowing costs directly attributed to the acquisition, construction, or production of qualified assets are part of such assets cost, until almost all necessary activities for such assets to reach its intended usage or selling status have been completed.

Except for the aforementioned, all other borrowing costs are recognized as profit or loss in the current period.

(16) Employees' Benefit

1. Short-term employees' benefit

   Related liabilities for short-term employees' benefit is measured at non-discounted cash amount prepaid for the exchange of employee services.

2. Post-employment benefit

   The pension of the defined allocation retirement plan should be allocated and the pension amount should be recognized as expense when the employee provides his/her service period.

   Defined benefit retirement plan's defined benefit cost (including service costs, net interest, and remeasurements) is precisely calculated by adopting the projected unit credit method. Service costs (including current period's service cost) and net interest of net defined benefit liability should be recognized as employee's benefit expense when the events happen, and when settlements happen. Remeasurements (including precisely calculated profit or loss and planned assets rewards interest deduction) should be recognized as other comprehensive income and listed under retained earnings when the event happens, and will not be re-classified as profit or loss in the subsequent period.

Net defined benefit liability is allocation insufficiency of defined benefit retirement plan. Net defined benefit assets cannot exceed the present value for the returned allocated amount from such plan or reducible future allocated amount.

(17) Income Tax

Income tax amount is the total of current income tax and deferred income tax.

1. Current income tax

   The Company determines its current income (loss) according to regulations formulated by jurisdictions for income tax reporting, based on the calculation of payable (recoverable) income tax.

   According to the R.O.C. Income Tax Act, the calculation of the added income tax to undistributed earnings will be recognized in the year of decision of the shareholder's meeting.

   The adjustment for income tax payables for the previous years is listed in the current year's income tax.

2. Deferred income tax

   Deferred income tax is calculated based on the temporary difference between booked assets and the carrying amount for liabilities, and the tax basis for calculating taxable income.

   Deferred income tax liabilities are generally recognized as all taxable temporary differences, and deferred income tax assets are recognized when it is likely to have taxable income for usage of the deduction of temporary differences.

   Taxable temporary differences related to invested subsidiary companies are all recognized as deferred income tax liabilities. Deductible temporary differences related to this type of investment can be recognized as deferred income tax assets only if it is likely to have sufficient taxable income to achieve temporary differences, and within the range expected to reverse in the foreseeable future.

   The carrying amount for deferred income tax assets is reviewed on every date of balance sheet, and the carrying amount is reduced for those that are no longer likely to have sufficient taxable income for the recovery of all or partial assets. For those that is not originally recognized as deferred income tax assets, they should be reviewed on every date of balance sheet, too, and the carrying amount is increased for those that are very likely to generate taxable income for the recovery or all or partial assets.

   Deferred income tax assets and liabilities are measured by its expected liability settlement or tax rate for assets realization. Such tax rate is based on the tax rate and tax law that have been enacted or substantively enacted on the date of balance sheet. The measurements of deferred income tax liabilities and assets are to reflect the Company's tax outcome generated from the method of expected recovery or settlement of its carrying amount for assets and liabilities on the date of balance sheet.

V. Main Sources for Significant Accounting Judgment and Estimation, and Hypothesis of Uncertainties

When the Company adopts accounting policies, the management level must make related judgments, estimations, and hypothesis on the basis of historical experience and other relevant factors when obtaining relevant information that is not easily obtained from other sources. The actual results may differ from the estimation.

The management level will continue to review the estimation and the basic hypothesis. If the amendments to the estimation solely impact the current year, then it is recognized in the current year; if the amendments to the accounting estimation simultaneously influence the current year and future periods, then it is recognized in the current period of amendment and the future period.

The information for the main management level's hypothesis and estimation uncertainties is as follow:

Impairment of Inventories Related Parties Transactions

In-transit inventories and raw material costs and related prices are influenced by global raw material prices, which is possible for volatile fluctuations, leading to risk of the raw materials' NRV falling below than the carrying amount. Since the management level referred to the regulations in IAS 2 "Inventory," for the evaluation of raw materials' NRV involves estimation and judgment, the change in raw material prices might cause significant impacts on such estimation results.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand & petty cash	$ 148	$ 141
Bank checks & demand deposit	644,625	656,150
	$ 644,773	$ 656,291

The market interest rate range for bank deposits on the date of balance sheet is as follow:

	December 31, 2022	December 31, 2021
Bank deposit	0.01%～1.05%	0.01%～0.05%

VII. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Current		
Restricted assets – bank deposit	$ -	$ 96,705

The market interest rate range for financial assets measured at amortized cost on the date of balance sheet is as follow:

	December 31, 2022	December 31, 2021
Restricted assets – bank deposit	-	0.18%

Restricted assets – bank deposits are provided to the bank(s) as guarantee for loans, and as pledge information. Please refer to note 29.

VIII. Notes Receivable, Accounts Receivable, and Other Receivables

	December 31, 2022	December 31, 2021
Notes Receivable		
Total carrying amount measured at amortized cost	$ 222,984	$ 215,064
Accounts Receivable		
Total carrying amount measured at amortized cost	$ 676,637	$ 580,558
Subtract: loss allowance	531	214
	$ 676,106	$ 580,344
Other Receivables		
Export rebate receivable	$ 10,415	$ 12,402
Import price difference receivable	7,730	7,627
Others	369	249
	$ 18,514	$ 20,278

(1) Notes Receivable

The average credit period for the Company's product sales is 60 days, of which no interest is accrued in notes receivable. The policy that the Company adopts is to only make transactions with reputable parties, and the Company will obtain full collateral when necessary, so as to reduce the risk of financial loss owing to delinquency. The Company rates its main customers by using other publicly available financial information and historical transaction records. The Company continuously supervises credit exposures and the counterparties' credit levels, and distributes the total transaction amount to different customers with qualified credit ratings. Moreover, the Company manages its credit exposures by reviewing and approving the credit limit of counterparties each year.

The Company's expected credit loss during duration is recognized as notes receivable's allowance loss. The expected credit loss during duration is calculated by provision matrix, which takes the customers' past default records and current financial statuses, and industrial economy situations into account. At the same time, the Company takes GDP prediction and industrial prospects into consideration. The Company's historical experience for credit loss shows that there is no significant difference in loss patterns among different customer groups. Thus, the provision matrix did not further distinguish customer groups, and only determined the expected credit loss rate based on the numbers of days overdue for notes receivable.

If there is evidence showing that the counterparty is facing critical financial difficulties, and the Company is unable to reasonably expect the recoverable amount, the Company should directly write off related notes receivable. However, the Company will continuously recourse the activities, and the recovered amount from the recourse will be recognized as profit or loss.

The Company uses provision matrix to measure notes receivable's allowance loss, which is as follow:

December 31, 2022

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 222,984
Allowance loss (expected credit loss during duration)	-
Amortized cost	$ 222,984

December 31, 2021

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 215,064
Allowance loss (expected credit loss during duration)	-
Amortized cost	$ 215,064

(2) Accounts Receivable

The Company's average credit period for product sales is 80 days, of which no interest is accrued in accounts receivable. The policy that the Company adopts is to only make transactions with reputable targets, and the Company will obtain full collateral when necessary so as to reduce the risk of financial loss owing to delinquency. The Company rates its main customers by using other publicly available financial information and historical transaction records. The Company continuously supervises credit exposures and the counterparties' credit levels, and distributes the total transaction amount to different customers with qualified credit ratings. Moreover, the Company manages its credit exposures by reviewing and approving the credit limit of counterparties each year.

The Company's expected credit loss during duration is recognized as notes receivable's allowance loss. The expected credit loss during duration is calculated by provision matrix, which takes the customers' past default records and current financial statuses, and industrial economy situations into account. At the same time, the Company takes GDP prediction and industrial prospects into consideration. The Company's historical experience for credit loss shows that there is no significant difference in loss patterns among different customer groups. Thus, the provision matrix did not further distinguish customer groups, and only determined the expected credit loss rate based on the numbers of days overdue for notes receivable.

If there is evidence showing that the counterparty is facing critical financial difficulties, and the Company is unable to reasonably expect the recoverable amount, the Company should directly write off related notes receivable. However, the Company will continuously recourse the activities, and the recovered amount from the recourse will be recognized as profit or loss.

The Company uses provision matrix to measure accounts receivable's allowance loss, which is as follow:

December 31, 2022

	Not overdue	1-60 days overdue	61-90 days overdue	91-120 days overdue	121-180 days overdue	181-365 days overdue	Over 365 days overdue	Individual identification	Total
Expected credit loss rate	0.01%	0.50%-10.06%	-	0%	-	-	100%	100%	
Total carrying amount	$ 667,458	$ 8,158	$ -	$ 681	$ -	$ -	$ 36	$ 304	$ 676,637
Loss allowance (expected credit loss during duration)	(67)	(124)	-	-	-	-	(36)	(304)	(531)
Amortized cost	$ 667,391	$ 8,034	$ -	$ 681	$ -	$ -	$ -	$ -	$ 676,106

December 31, 2021

	Not overdue	1-60 days overdue	61-90 days overdue	91-120 days overdue	121-180 days overdue	181-365 days overdue	Over 365 days overdue	Individual identification	Total
Expected credit loss rate	0.01%	0.47%-7.83%	18.56%	-	-	-	100%	-	
Total carrying amount	$ 572,707	$ 7,767	$ 36	$ -	$ -	$ -	$ 48	$ -	$ 580,558
Loss allowance (expected credit loss during duration)	(57)	(102)	(7)	-	-	-	(48)	-	(214)
Amortized cost	$ 572,650	$ 7,665	$ 29	$ -	$ -	$ -	$ -	$ -	$ 580,344

Changes in information on accounts receivable loss allowance are as follow:

	December 31, 2022	December 31, 2021
BOY balance	$ 214	$ 154
Add: current year provision impairment loss	317	60
Year-end balance	$ 531	$ 214

(3) Other Receivables

When the Company assesses Other Receivables with objective evidence of impairment loss, the amount of impairment loss is individually assessed. As of the balance sheet date, there are no Other Receivables past due that the Company has not yet recognized in Other Receivables loss allowance.

IX. Inventory

	December 31, 2022	December 31, 2021
Inventory in-transit	$ 710,779	$ 619,855
Raw materials	408,546	238,643
Finished goods	172,862	219,659
Work in progress	73,868	82,254
Materials	7,192	7,130
	$ 1,373,247	$ 1,167,541

Operating costs related to inventory for the year 2022 was NTD 10,652,062 thousands, of which NTD 971 thousands included was inventory loss and NTD 6,864 thousands was loss on inventory price decline. Operating costs related to inventory for the year 2021 was NTD 8,763,985 thousands, of which NTD 3,030 thousands included was inventory loss and NTD 672 thousands was loss on inventory price decline.

X. Prepayments

	December 31, 2022	December 31, 2021
Excess business tax paid	$ 126,896	$ 204,756
Other prepayments	14,044	21,500
Prepayments to suppliers	404	281
	$ 141,344	$ 226,537

XI. Investments by Using Equity Method

	December 31, 2022	December 31, 2021
Investments in subsidiary companies	$ 823,792	$ 892,360
Investments in affiliated enterprises	305,839	284,271
	$ 1,129,631	$ 1,176,631

(1) Investments in subsidiary companies

	December 31, 2022	December 31, 2021
TOP FOOD	$ 617,648	$ 687,580
FORMOSA OIL PROCESSING (PANAMA) S.A.	149,046	145,157
CHONG HSIANG FOODS INDUSTRY CO., LTD.	38,311	29,187
FU YOU AN KANG CORP.	18,787	30,436
	$ 823,792	$ 892,360

Name of Subsidiary Companies	Ownership Interests and Voting Rights Percentage	
	December 31, 2022	December 31, 2021
TOP FOOD	63%	63%
FORMOSA OIL PROCESSING (PANAMA) S.A.	100%	100%
FU YOU AN KANG CORP.	51%	51%
CHONG HSIANG FOODS	100%	100%

Share of subsidiary companies' profit or loss and other comprehensive income, accounted for using equity method for 2022 and 2021, were recognized in each subsidiary company's financial statements as audited by accountants during the same period.

(2) Investments in affiliated enterprises

	December 31, 2022	December 31, 2021
Affiliated enterprises with significance		
CENTRAL UNION OIL CORP.	$ 305,839	$ 284,271

The Company's equity-holding percentage in affiliated enterprises on the date of balance sheet is as follow:

Name of Company	December 31, 2022	December 31, 2021
CENTRAL UNION OIL CORP.	33.33%	33.33%

For the aforementioned affiliated enterprises' information regarding their business nature, major places of operation, and the companies' registered country, please refer to Attached Table 4 "Related Information Regarding Names of Invested Companies and Location, etc."

Investments accounted for using equity method, profits or losses from the Company, and shares on other comprehensive income are recognized according to the affiliated enterprises' financial reports audited by accountants during the same period.

The Company measures the aforementioned affiliated enterprises by using the equity method.

The summarized financial information below was prepared on the basis of the affiliated enterprises' IFRSs financial statements, and had already reflected the adjustments made when using the equity method.

Central Union Oil Corp.

	December 31, 2022	December 31, 2021
Current assets	$ 1,129,306	$ 1,199,495
Non-current assets	1,432,624	1,476,098
Current liabilities	(1,461,584)	(1,544,683)
Non-current liabilities	(180,172)	(275,966)
Equity	$ 920,174	$ 854,944
The Company's shareholding ratio	33.33%	33.33%
The Company's equity	$ 306,724	$ 284,981
Unrealized gains (losses) on downstream transactions	(885)	(710)
Carrying amount for investments	$ 305,839	$ 284,271

	2022	2021
Operating income	$ 11,360,367	$ 10,069,733
Current year's net profit	$ 171,699	$ 126,053
Other comprehensive income	1,531	(1,916)
Total comprehensive income	$ 173,230	$ 124,137
Dividend obtained from Central Union Oil Corp.	$ 36,000	$ 32,000

XII. Property, Plant, and Equipment

	December 31, 2022	December 31, 2021
Land	$ 715,940	$ 715,940
Buildings	718,385	43,110
Machinery equipment	619,044	22,151
Transport equipment	6,399	7,969
Experimental equipment	6,483	3,682
Other equipment	60,047	21,098
Unfinished projects	5,530	1,231,379
	$ 2,131,828	$ 2,045,329

	Land	Buildings	Machinery equipment	Transport equipment	Experimental equipment	Other equipment	Unfinished projects	Total
Cost								
Jan 1, 2022 balance	$ 715,940	$ 245,979	$ 339,684	$ 25,428	$ 17,438	$ 226,237	$1,231,379	$2,802,085
Addition	-	421	3,227	248	623	10,464	123,437	138,420
Disposal	-	-	(3,946)	(2,040)	(9,106)	(1,017)	-	(16,109)
Reclassification	-	690,723	617,532	-	3,267	37,764	(1,349,286)	-
Dec 31, 2022 balance	715,940	937,123	956,497	23,636	12,222	273,448	5,530	2,924,396
Accumulated Depreciation								
Jan 1, 2022 balance	-	(202,869)	(317,533)	(17,459)	(13,756)	(205,139)	-	(756,756)
Disposal	-	-	3,946	1,757	9,106	1,017	-	15,826
Depreciation expense	-	(15,869)	(23,866)	(1,535)	(1,089)	(9,279)	-	(51,638)
Dec 31, 2022 balance	-	(218,738)	(337,453)	(17,237)	(5,739)	(213,401)	-	(792,568)
Dec 31, 2022 net amount	$ 715,940	$ 718,385	$ 619,044	$ 6,399	$ 6,483	$ 60,047	$ 5,530	$2,131,828

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	Land	Buildings	Machinery equipment	Transport equipment	Experimental equipment	Other equipment	Unfinished projects	Total
Cost								
Jan 1, 2021balance	$ 715,940	$ 246,234	$ 362,358	$ 23,692	$ 17,784	$ 229,082	$1,011,917	$2,607,007
Addition	-	-	3,235	1,736	36	5,439	219,462	229,908
Disposal	-	(255)	(25,909)	-	(382)	(8,284)	-	(34,830)
Dec 31, 2021 balance	715,940	245,979	339,684	25,428	17,438	226,237	1,231,379	2,802,085
Accumulated Depreciation								
Jan 1, 2021 balance	-	(198,359)	(336,583)	(15,644)	(13,047)	(206,462)	-	(770,095)
Disposal	-	255	25,909	-	382	8,282	-	34,828
Depreciation expense	-	(4,765)	(6,859)	(1,815)	(1,091)	(6,959)	-	(21,489)
Dec 31, 2021 balance	-	(202,869)	(317,533)	(17,459)	(13,756)	(205,139)	-	(756,756)
Dec 31, 2021 net amount	$ 715,940	$ 43,110	$ 22,151	$ 7,969	$ 3,682	$ 21,098	$1,231,379	$2,045,329

The unfinished project is mainly the Company's rendering plant for purifying edible oil that is still under construction at the Taichung Harbor area. In 2022, it was gradually reclassified as buildings, machinery equipment, and other equipment, and some amounts are still pending transfer after acceptance.

Impairment losses were not recognized or reversed in 2022 and 2021.The depreciation expenses are calculated by using the straight-line method according to the useful life as follow:

Buildings	
Plant's main building	5 to 55 years
Project systems	5 to 40 years
Machinery equipment	2 to 24 years
Transport equipment	3 to 14 years
Experimental equipment	2 to 11 years
Other equipment	2 to 24 years

For the amount of property, plant and equipment set as collateral for secured loans, please refer to note 29.

XIII. Leasing Agreement

(1) ROU assets

	December 31, 2022	December 31, 2021
ROU assets carrying amount		
Land	$ 129,805	$ 132,859
Buildings	1,028	1,484
Transport equipment	17,984	6,769
	$ 148,817	$ 141,112

	2022	2021
Increase of ROU assets	$ 15,705	$ 85,337
Depreciation expense for ROU assets		
Land	$ 3,054	$ 3,241
Buildings	456	456
Transport equipment	4,490	4,171
	$ 8,000	$ 7,868

Except for the above-mentioned additions (including adjustments to accounting estimates) and recognized depreciation expenses, there was no significant sublease or impairment of the ROU assets of the Company in the years 2022 and 2021.

(2) Lease liabilities

	December 31, 2022	December 31, 2021
Lease liabilities carrying amount		
Current	$ 7,925	$ 6,750
Non-current	$ 143,718	$ 136,179

Discount rate range for lease liabilities is as follow:

	December 31, 2022	December 31, 2021
Land	1.08%～1.38%	1.08%～1.38%
Buildings	1.38%	1.38%
Transport equipment	1.08%～1.57%	1.08%～1.38%

(3) Significant Rental Activities and Clauses

The parent company signed a land lease contract for leasing the port industry professionalism development zone with Taiwan International Ports Corporation, Ltd. – Port of Taichung Branch (hereafter referred to as Port Branch) in November 2017 in order to construct and operate the palm oil plant. The lease period is 20 years. According to contractual regulations, the properties and movable properties, and property ownerships financed and constructed by the parent company all belong to the parent company. During the duration of the contract, the parent company should calculate the land rent based on the area of the leased land according to the land value announced by the government and the approved annual rent rate, and pay the management fee according to the amount committed to the Port Branch. When the lease period is terminated, the parent company does not have the right of preferential refusal towards the leased land. The aforementioned lease period of the land use right asset was originally calculated based on the 20-year lease term of the land lease contract signed with the Port Branch, and it was expected to produce only a single oil product. In response to future product line diversification and quality improvement, more complete refining equipment has already been purchased, and the parent company's oil and fat factory in Dadu District, Taichung will also be relocated to this development area. According to the parent company's

evaluation of the Taichung Port Plant's operation plan, the Taichung Port Plant will aim for 50 years as its operation target. The parent company will apply in writing to the Taichung Port Branch to continue the lease one year before the expiration of the lease term. Therefore, the calculation of the lease period of the land use right has been adjusted in July, 2021 to 50 years, and the ROU assets and lease liabilities have been adjusted to increase by NTD 80,618 thousands. This was approved by the Audit Committee and the Board of Directors on August 10, 2021.

(4) Other Leasing Information

	2022	2021
Short-term leasing fees	$ 115	$ 137
Low value assets leasing fees	$ 501	$ 469
Total leasing cash (outflow)	($ 9,194)	($ 8,260)

The Company chooses to recognize the renting of business premises and transport equipment that conform to short-term lease and low value lease, as the Company will not recognize such leases as related ROU assets and lease liabilities.

XIV. Intangible Assets

	Computer software
Cost	
Beginning balance as of January 1, 2022	$ -
Additions	1,028
Balance as of December 31, 2022	$ 1,028
Amortization	
Beginning balance as of January 1, 2022	$ -
Amortization expense	35
Balance as of December 31, 2022	$ 35
Net as of December 31, 2022	$ 993

Amortization expense is recognized on a straight-line basis over the following useful lives:

Computer software	3 to 5 years

XV. Other Non-Current Assets

	December 31, 2022	December 31, 2021
Guarantee deposits paid	$ 6,965	$ 6,906
Prepayments for equipment	233	105
Other prepayments	27	121
	$ 7,225	$ 7,132

XVI. Loans

(1) Short-term loans

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans (note 29)	$ -	$ 85,000
Unsecured loans		
Credit loans	1,388,888	1,672,448
Letter of credit loans	292,774	45,307
	1,681,662	1,717,755
	$ 1,681,662	$ 1,802,755

The interest rate range for short-term loans on the date of balance sheet is as follow:

	December 31, 2022	December 31, 2021
Secured loans		
Bank loans	-	0.65%
Unsecured loans		
Credit loans	1.30%～1.98%	0.81%～1.10%
Letter of credit loans	5.35%～6.12%	0.73%～1.00%

(2) Short-term notes payable

	December 31, 2022	December 31, 2021
Commercial papers payable	$ -	$ 230,000
Subtract: short-term notes discount payable	-	92
	$ -	$ 229,908

The market interest rate range for short-term notes payable on the date of balance sheet is as follows:

	December 31, 2022	December 31, 2021
Unsecured loans	-	0.96%

Short-term notes payable that have not met the maturity date yet:

December 31, 2021

Guarantee／Acceptance institutions	Par price	Discount amount	Carrying amount	Pledge or collateral
Commercial papers payable				
Ta Ching Bills Finance Corporation	$ 100,000	$ 52	$ 99,948	None
Taiwan Cooperative Bills Finance Corporation	100,000	20	99,980	None
Mega Bills	30,000	20	29,980	None
	$ 230,000	$ 92	$ 229,908	

(3) The details for the Company's long-term loans are as follow:

	December 31, 2022	December 31, 2021
Secured loan		
E.SUN Commercial Bank	$ 920,000	$ 300,000
Unsecured loan		
Taiwan Cooperative Bank	160,000	100,000
Taishin International Bank	-	140,000
Mega International Commercial Bank	-	70,000
Shin Kong Bank	-	25,000
Chang Hwa Bank	-	20,000
Bank of Panhsin	-	12,500
Shanghai Commercial and Savings Bank	-	12,500
Subtotal	1,080,000	680,000
Subtract: listed as the part that is due within one year	160,000	165,000
Long-term loan	$ 920,000	$ 515,000

The interest rate range for the Company's loans is as follow:

	December 31, 2022	December 31, 2021
Floating interest rate loans	1.51%～1.57%	1.08%～1.25%

1. E.SUN Commercial Bank's secured loan: the first installment of the loan principal was repaid in August 2019. Every 6 months is 1 installment. The loan will be evenly amortized in 10 installments. As of December 31, 2021, the loan balance was NTD 300,000 thousands. The aforementioned loan has been fully repaid in advance in April 2022. The company signed a credit contract with E.SUN Commercial Bank in February 2022, with a total amount of NTD 800,000 thousands. The loan principal can be drawn in tranches starting from the date of signing and expires after two years. The loan principal had its first installment due in October 2022, with subsequent installments due every six months for a total of 10 installments. As of December 31, 2022, the loan balance was NTD 720,000 thousands. In addition, the Company signed another credit contract, allowing the loan principal to be used as revolving loan within the financing limit from the first draw date of the loan principal in October 2022 until 2025 before the maturity date. The longest period for each loan cannot exceed 1 year, and the amount drawn this time shall be settled on the maturity date for the loan principal, without the need for additional procedures for the principal's transfer in/out. As of December 31, 2022, the loan balance was NTD 200,000 thousands. The Company offered its plant and land in Dadu District, Taichung City as such line of credit's collateral.

2. Taiwan Cooperative Bank's mid-term loan: the settlement of the amount employed this time reached the 24th month since March 2021, the draw date of the loan principal. The contract was extended in February 2022 and the settlement of the amount employed this time reached the 24th month since March 2022, the draw date of the loan principal. As of December 31, 2022 and 2021, the loan balance was respectively NTD 160,000 thousands and NTD 100,000 thousands.
3. Taishin International Bank's mid-term loan: according to contract regulations, the original loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in June 2019 until 2021 before the maturity date. The Company has extended the contract to July 2023. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. However, the loan principal can be applied for revolved drawing according to contract regulations, and there is no need for additional procedures for the principal's transfer in/out. As of December 31, 2021, the loan balance was NTD 140,000 thousands. As of December 31, 2022, no funds were drawn.
4. Mega International Commercial Bank's mid-term loan: according to contract regulations, the original loan principal can be used as revolving loan within the financing limit from first draw date of the loan principal in March 2020 until July 2022 before the maturity date and there is no need for additional procedures for the principal's transfer in/out. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. As of December 31, 2021, the loan balance was NTD 70,000 thousands.
5. Shin Kong Bank's mid-term loan: according to contract regulations, the loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in December 2021 until April 2024 before the maturity date and there is no need for additional procedures for the principal's transfer in/out. The longest period for each loan cannot exceed 180 days, and the amount drawn this time shall be settled on the maturity date for the loan principal. As of December 31, 2021, the loan balance was NTD 25,000 thousands. As of December 31, 2022, no funds were drawn.
6. Chang Hwa Bank's mid-term loan: since the first draw date of the loan principal in March 2019, every 6 months is 1 installment, and the loan will be evenly amortized in 6 installments. As of December 31, 2021, the loan balance was NTD 10,000 thousands. Another NTD 40,000 thousands was drawn in April 2020. The first installment of the loan principal was repaid in September 2020. Every 6 months is 1 installment. The loan will be evenly amortized in 4 installments. As of December 31, 2021, the loan balance was NTD 10,000 thousands.
7. Bank of Panhsin's mid-term loan: the first installment of loan principal was originally repaid in April 2020. Every 3 months is 1

installment. The loan will be evenly amortized in 8 installments. As of December 31, 2021, the loan balance was NTD 5,000 thousands. Another NTD 45,000 thousands was drawn in February 2020. The first installment of the loan principal was repaid in October 2020. Every 3 months is 1 installment. The loan will be evenly amortized in 6 installments. As of December 31, 2021, the loan balance was NTD 7,500 thousands.

8. Shanghai Commercial and Savings Bank's mid-term loan: the first installment of the loan principal was repaid in June 2020. Every 3 months is 1 installment. The loan will be evenly amortized in 8 installments. As of December 31, 2021, the loan balance was NTD 12,500 thousands.

XVII. Notes Payable and Accounts Payable

	December 31, 2022	December 31, 2021
Notes payable		
Incurred by business operations	$ 4,842	$ 5,036
Accounts payable		
Incurred by business operations	$ 321,652	$ 325,404

(1) Notes payable

The Company's notes payable are mainly notes issued for the payment of freight incurred by business operations.

(2) Accounts payable

The average credit period is 60 days. The Company's financial risk management policy ensures that all accounts payable are repaid within the prearranged credit period.

XVIII. Other Payables

	December 31, 2022	December 31, 2021
Salaries and bonuses payable	$ 75,566	$ 75,774
Freight payable	7,453	6,972
Import and export expenses payable	4,418	8,274
Equipment payable	3,864	13,441
Labor and health insurance payable	2,498	2,424
Interests payable	1,300	1,190
Other	9,767	7,040
	$ 104,866	$ 115,115

XIX. Welfare Benefit Plan after Retirement

(1) Defined allocation plan

The pension system in the "Labor Pension Act" that is applicable to the Company belongs to defined pension allocation plan under the government's management. 6% of the employee's monthly salary is allocated to the employee's Labor Insurance Bureau personal account as the employee's pension.

(2) Defined welfare benefit plan

The "Labor Standards Act" that the Company refers to in handling pension system belongs to defined welfare benefit pension plan under the government's management. The payment of the employee's pension is based on the employees' years of service and the employee's average salary of the 6 months prior to the approved retirement date. The Company allocates 8% of the employee's monthly salary to his/her pension, and is submitted to the Supervisory Committee of Business Entities' Labor Retirement Reserve to deposit into Bank of Taiwan's imprest account in the name of the committee. Before the year ends, if the estimated imprest balance is insufficient to pay estimated employees that fulfill retirement conditions in the following year, the difference should be allocated at once before the end of March in the following year. Such imprest account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right in influencing its investment management strategies.

Amounts for defined benefit plan that are listed in the individual balance sheet are as follow:

	December 31, 2022	December 31, 2021
PV for defined benefit obligation	$ 75,566	$ 81,458
Planned assets fair value	(66,881)	(62,906)
Allocation insufficiency	8,685	18,552
Net defined benefit liabilities	$ 8,685	$ 18,552

Changes in net defined benefit liabilities are as follow:

	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
Jan 1, 2021	$ 85,619	($ 65,661)	$ 19,958
Service cost			
Current service cost	721	-	721
Interest expenses (income)	321	(248)	73
Recognized as profit or loss	1,042	(248)	794
Remeasurements			
Gains on planned assets	-	(907)	(907)
Actuarial loss (profit)			
－Changes in demographic assumptions	1,455	-	1,455
－Changes in financial assumptions	(757)	-	(757)
－Experience adjustment	(889)	-	(889)
Recognized as other comprehensive income	(191)	(907)	(1,098)
Allocated by employer	-	(1,102)	(1,102)
Payment of benefits	(5,012)	5,012	-
December 31, 2021	$ 81,458	($ 62,906)	$ 18,552

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	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
January 1, 2022	$ 81,458	($ 62,906)	$ 18,552
Service cost			
Current service cost	593	-	593
Interest expenses (income)	407	(317)	90
Recognized as profit or loss	1,000	(317)	683
Remeasurements			
Gains on planned assets	-	(5,096)	(5,096)
Actuarial loss (profit)			
—Changes in financial assumptions	(3,094)	-	(3,094)
—Experience adjustment	(1,287)	-	(1,287)
Recognized as other comprehensive income	(4,381)	(5,096)	(9,477)
Allocated by employer	-	(1,073)	(1,073)
Payment of benefits	(2,511)	2,511	-
December 31, 2022	$ 75,566	($ 66,881)	$ 8,685

The amounts recognized as profit or loss for the defined benefit plan are summarized according to their functions as follow:

	2022	2021
Operating costs	$ 84	$ 117
Promotion expense	198	231
Management expense	401	446
	$ 683	$ 794

The Company is exposed to the risks below owing to the pension system of the "Labor Standards Act":

1. Investment risks: through methods of self-application or discretionary management, the Bureau of Labor Funds, Ministry of Labor invests labors' pension funds in domestic and foreign equity securities, debt securities, and bank deposits, and other objects. However, the amount that can be distributed under the Company's planned assets is the income that is calculated by not being lower than the local banks' two-year time deposit rate.
2. Interest risks: the decrease of interest rates in government bonds/corporate bonds will result in the increase in the present value for defined benefit obligation. However, the debts of planned assets' return on investments will increase accordingly, too. Both have partial offset effects on net defined benefit liabilities.
3. Salary risks: the calculation of the present value for defined benefit obligations refers to planned members' future salary. Therefore, the increase in planned members' salary will result in the increase in the present value for defined benefit obligations.

The Company's actuarial calculation for the PV for defined benefit obligations is performed by certified actuaries. The measurement date's major assumptions are as follow:

	December 31, 2022	December 31, 2021
Discount rate	1.125%	0.500%
Salary's expected increase rate	2.500%	2.500%

If the major actuarial assumptions are respectively subjected to possible reasonable changes, under the circumstance that other assumptions remain unchanged, the amounts that will result in the increase (decrease) of the PV for defined benefit obligations are as follow:

	December 31, 2022	December 31, 2021
Discount rate		
0.25% increase	($ 1,179)	($ 1,503)
0.25% decrease	$ 1,212	$ 1,549
Salary's expected increase rate		
0.25% increase	$ 1,175	$ 1,493
0.25% decrease	($ 1,149)	($ 1,457)

Since actuarial assumptions may be interrelated, it is unlikely for changes in single assumption only. Thus, the aforementioned sensitivity analysis may not reflect the situation of the changes in the present value for defined benefit obligations.

	December 31, 2022	December 31, 2021
Amount expected to be allocated within 1 year	$ 1,019	$ 1,081
Defined benefit obligation's average maturity period	6.3years	7.4 years

XX. Equity

(1) Share Capital

Common Stock

	December 31, 2022	December 31, 2021
Authorized number of shares (1000)	300,000	300,000
Authorized share capital	$ 3,000,000	$ 3,000,000
Number of shares issued and fully collected (1000)	218,703	218,703
Issued share capital	$ 2,187,030	$ 2,187,030

The nominal amount per common share is NTD 10. Each share has one voting right and the right to receive dividends.

(2) Capital Reserves

	December 31, 2022	December 31, 2021
Can be used to compensate for losses, distribute cash, or share capitalization		
Issuance of premium	$ 121,015	$ 121,015
Can only be used to compensate for losses		
Shareholders' overdue unclaimed dividends	1,107	690
	$ 122,122	$ 121,705

In the capital reserve, those that belong to the overage of the issuance of shares in excess of the par and the gifts of assets donated to the business can be used to compensate for losses. They can also be used to issue cash dividend or to capitalize share capital when the company breaks even. However, when capitalizing share capital, it is limited to a certain ratio of the actual received share capital each year.

(3) Reserved Earnings and Dividend Policies

According to the Company's bylaws regarding the regulations in the earnings distribution policy, if there are earnings in the final account, another 10% is withdrawn as earnings reserve after tax payments and the compensation for losses. The rest will be listed as or reversed to special earnings surplus according to regulations. If there is still balance, together with accumulated undistributed earnings, the board of directors will draft a proposal regarding the distribution of earnings, and submit it to the shareholders meeting for the decision of the distribution of shareholders' dividends and bonus. For policies regarding distribution of employees and directors' remunerations according to the clause in the Company's bylaws, please refer to note 22-3 "Employees' Remunerations and Directors' Remunerations."

The Company's policy regarding the distribution of dividends is based on the principle to maintain the soundness of the company's long-term financial structure and the growth and expansion of future operations, to distribute share dividends so as to retain the funds needed, and the rest can be distributed as cash dividends. However, cash dividends cannot be less than 10% of total dividends. If there is 0.1 NTD short of the distribution of cash dividend per share, then no cash dividend will be distributed.

Statutory earnings reserve should be allocated until its balance reaches the company's actual received total share capital. Statutory earnings reserve can be used to compensate losses. When the company has no loss, except for the part that the statutory earnings reserve exceeds 25% of the actual received total share capital can be used to allocate the share capital, it is still available to be distributed in cash.

The Company hosted the regular shareholders' meeting on June 23, 2022 and July 29, 2021, and respectively decided the approval of 2021 and 2020 earnings distribution proposal as follow:

	Earnings Distribution Project		Dividend per Share (NTD)	
	2021	2020	2021	2020
Pre-estimated statutory earnings surplus	$ 45,357	$ 37,828		
Cash dividend	349,925	306,184	$ 1.60	$ 1.40

(4) Special Earnings Surplus

Since it is the Company's first time using IFRSs and the increase in reserved earnings generated is insufficient for pre-estimation. Thus, the sole increase in reserved earnings generated by converse-using IFRSs NTD 200,454 thousands can pre-estimate special earnings surplus.

XXI. Income

	2022	2021
Customer contract income		
Goods sales income	$11,449,004	$ 9,550,336
Service revenue	820	-
	$11,449,824	$ 9,550,336

(1) Customer Contract Description

1. Goods Sales Income

Products such as oil, feeds, and raw materials, etc. are sold to wholesalers and retailers, and are sold according to the fixed price in the contract. The income amount is measured at received consideration or consideration receivable's fair value.

2. Service Revenue

Service revenue of the Company is derived from providing services such as unloading, weighing, and warehousing. The revenue amount is calculated based on a fixed unit price per processed ton, and the related revenue is recognized when the services are provided.

(2) Contract balance

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	$ 222,984	$ 215,064	$ 131,111
Notes receivable – related parties	4,650	2,904	3,184
Accounts receivable	676,106	580,344	417,427
Accounts receivable – related parties	535,611	501,830	304,514
	$ 1,439,351	$ 1,300,142	$ 856,236
Contractual liabilities (listed in other current liabilities)			
Selling of goods	$ -	$ 3,440	$ -

Changes in contract liabilities are mainly from the difference between the time point of the fulfilment of performance obligations and the time point of customers' payments.

(3) Customer contracts that are not all complete yet

	December 31, 2022	December 31, 2021
Selling of products		
—Executed in 2022	$ -	$ 3,440

XXII. Net Profit

(1) Depreciation and Amortization

	2022	2021
Depreciation expenses summarized according to its functions		
Operating costs	$ 44,237	$ 14,198
Operating expenses	15,401	15,159
	$ 59,638	$ 29,357
Amortization expenses summarized according to its functions		
Operating costs	$ 7	$ 999
Operating expenses	35	-
	$ 42	$ 999

(2) Employees' benefit expenses

	2022	2021
Post-employment benefits		
Defined contribution plans	$ 6,631	$ 6,517
Defined benefit plans (note 19)	683	794
	7,314	7,311
Salary expenses	173,778	176,399
Labor and health insurance expenses	15,933	15,598
Directors' remunerations	11,171	12,992
Other employee benefits	10,290	8,167
	$ 218,486	$ 220,467
Summarized according to its functions		
Operating costs	$ 64,842	$ 59,381
Operating expenses	153,644	161,086
	$ 218,486	$ 220,467

(3) Employees' Remunerations and Directors' Remunerations

According to the clause in the Company's bylaws, the Company refers to the current year's pre-tax profit before deducting the distribution of employees' remunerations and directors' remunerations, and allocates respectively 2%-4% and not higher than 4% from employees' remuneration and directors' remuneration. The employees' remuneration and directors' remuneration for 2022 and 2021 were

decided by the board of directors on March 15, 2023 and March 25, 2022 respectively as follow:

Estimated Percentage

	2022	2021
Employees' remunerations	2%	2%
Directors' remunerations	2%	2%

Amount

	2022	2021
	Cash	Cash
Employees' remunerations	$ 9,429	$ 11,227
Directors' remunerations	9,429	11,227

If there are still changes in the amount after the annual individual financial statements' issuance date, it will be handled as changes in accounting estimates, and will be adjusted and entered into account in the following year.

There is no difference between the actual distributed amount for employees' remuneration and directors' remuneration for 2021 and 2020and the individual financial statements' recognized amount for 2021 and 2020.

For information regarding the Company's employees' remuneration and directors' remuneration as decided by the board of directors, please search on the Taiwan Stock Exchange's Market Observation Post System.

(4) Other Earnings and Impairment Loss Net Value

	2022	2021
Disposal of gains on property, plant and equipment	$ 698	$ 217

The disposal of gains on property, plant and equipment in 2022 is the sum of the current year's disposal of profit NTD 479 thousands and recognized realized deferred income NTD 219 thousands. The disposal of gains on property, plant and equipment in 2021 is the sum of the current year's disposal of loss NTD 2 thousands and recognized realized deferred income NTD 219 thousands.

(5) Currency Exchange Profit (Loss)

	2022	2021
Total currency exchange profit	$ 53,232	$ 45,919
Total currency exchange loss	(11,472)	(21,642)
Net profit	$ 41,760	$ 24,277

(6) Interest Expense

	2022	2021
Bank loan interest	$ 29,617	$ 9,734
Lease liability interest	1,587	1,213
	$ 31,204	$ 10,947

Related information on interest capitalization is as follow:

	2022	2021
Interest capitalization amount	$ 3,597	$ 12,506
Interest capitalization rate	1.19%~1.21%	1.16%~1.19%

XXIII. Income Tax

(1) Income tax recognized as profit or loss

The main items of the income tax is as follow:

	2022	2021
Current income tax		
Generated in the current year	$ 84,969	$ 83,413
Adjustments made in the previous years	340	-
Deferred income tax		
Generated in the current year	(1,720)	2,372
Income tax expense recognized as profit or loss	$ 83,589	$ 85,785

The reconciling of accounting income and income tax expense is as follow:

	2022	2021
Net profit before tax	$ 452,583	$ 538,897
Income tax expense calculated based on statutory tax rate for net profit before tax	$ 90,516	$ 107,779
Tax-free income	(7,313)	(21,994)
Non-deductible impairment loss in taxes	46	-
Current income tax expenses in the previous years adjusted in the current year	340	-
Income tax expense recognized as profit or loss	$ 83,589	$ 85,785

(2) Current income tax liabilities

	December 31, 2022	December 31, 2021
Current income tax liabilities		
Income tax payable	$ 43,178	$ 46,269

(3) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follow:

2022

	BOY balance	Recognized as profit/loss	Year-end balance
Deferred income tax assets			
Temporary difference			
Loss on investment accounted for using equity method	$ 10,245	($ 254)	$ 9,991
Pension expense overrun	1,995	(78)	1,917
Loss on inventory price decline	173	1,373	1,546
Deferred income	409	(44)	365
Other	150	111	261
	$ 12,972	$ 1,108	$ 14,080
Deferred income tax liabilities			
Temporary difference			
Land value increment tax	$ 95,560	$ -	$ 95,560
Other	612	(612)	-
	$ 96,172	($ 612)	$ 95,560

2021

	BOY balance	Recognized as profit/loss	Year-end balance
Deferred income tax assets			
Temporary difference			
Loss on investment accounted for using equity method	$ 11,467	($ 1,222)	$ 10,245
Pension expense overrun	2,056	(61)	1,995
Deferred income	453	(44)	409
Loss on inventory price decline	39	134	173
Other	717	(567)	150
	$ 14,732	($ 1,760)	$ 12,972
Deferred income tax liabilities			
Temporary difference			
Land value increment tax	$ 95,560	$ -	$ 95,560
Other	-	612	612
	$ 95,560	$ 612	$ 96,172

(4) Income tax verification status

Regarding the Company's business income tax declaration, the declared cases as of before 2020 were authorized by tax collecting institutions.

XXIV. Earnings per Share (EPS)

Net profit and the number of shares of the common share's weighted average for the calculation of EPS is as follow:

Net profit

	2022	2021
Net profit used for the calculation of basic and diluted EPS	$ 368,994	$ 453,112

Number of Shares

Unit: 1000 shares

	2022	2021
Number of shares of common share's weighted average used for the calculation of basic EPS	218,703	218,703
Impacts of potential common share with dilutive effect:		
Employees' remuneration	207	270
Number of shares of common share's weighted average used for the calculation of diluted EPS	218,910	218,973

If the Company can choose to distribute employees' remuneration by share or by cash, then when the Company calculates its diluted EPS, under the hypothesis that the employees' remuneration is distributed by share, the calculation of diluted EPS is to include the number of weighted average outstanding shares when such potential common share has dilutive effect. When calculating diluted EPS before deciding the number of shares distributed as the employees' remuneration in the following year, the Company still needs to consider such potential common share's dilutive effect.

XXV. Cash Flow Information

(1) Partial cash transaction

The partial cash transactional investments that the Company conducted in 2022 and 2021 are as follow:

	2022	2021
Partial cash paid to purchase property, plant and equipment		
Purchase of property, plant, and equipment	$ 138,420	$ 229,908
Net change in prepayment of equipment	128	(234)
Net change in equipment payable	9,577	(1,602)
Cash paid	$ 148,125	$ 228,072

(2) Changes in liabilities owing to financing activities

2022

	BOY balance	Cash flow	Non-cash changes: New lease liabilities	Non-cash changes: Reduced lease liabilities	Non-cash changes: Amortized interest expense	Year-end balance
Short-term loans	$ 1,802,755	($ 121,093)	$ -	$ -	$ -	$ 1,681,662
Short-term notes payable	229,908	(230,000)	-	-	92	-
Long-term loans and long-term loans due within one year	680,000	400,000	-	-	-	1,080,000
Margin deposit	1,790	60	-	-	-	1,850
Lease liability	142,929	(6,991)	15,705	-	-	151,643
	$ 2,857,382	$ 41,976	$ 15,705	$ -	$ 92	$ 2,915,155

2021

	BOY balance	Cash flow	Non-cash changes: New lease liabilities	Non-cash changes: Reduced lease liabilities	Non-cash changes: Amortized interest expense	Year-end balance
Short-term loans	$ 771,273	$ 1,031,482	$ -	$ -	$ -	$ 1,802,755
Short-term notes payable	169,786	60,000	-	-	122	229,908
Long-term loans and long-term loans due within one year	935,000	(255,000)	-	-	-	680,000
Margin deposit	21	1,769	-	-	-	1,790
Lease liability	64,033	(6,441)	85,337	-	-	142,929
	$ 1,940,113	$ 831,810	$ 85,337	$ -	$ 122	$ 2,857,382

XXVI. Capital Risk Management

The Company conducts capital management so as to optimize its debts and equity balance in order to maximize shareholders' compensation under the circumstance that the Company is ensured to continue to operate.

XXVII. Financial Instrument

(1) Information regarding fair value – financial instruments that are not measured at fair value

The Company's management level believes that the carrying amount for financial assets and financial liabilities that are not measured at fair value is close to its fair value, or that its fair value cannot be measured reliably.

(2) Types of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measured at amortized cost (note 1)	$ 2,103,344	$ 2,224,383
Financial liabilities		
Measured at amortized cost (note 2)	3,199,800	3,174,423

Note 1: the balance is financial assets that includes cash, financial instrument measured at amortized cost, notes receivable, notes receivable – related parties, accounts receivable, accounts receivable – related parties, other receivables, and other receivables – related parties, etc., measured at amortized cost.

Note 2: the balance is financial liabilities that include short-term loans, short-term notes payable, notes payable, accounts payable, accounts payable – related parties, partial other payables, and long-term loans (including parts due within one year), etc., measured at amortized cost.

(3) Purpose and policy for financial risk management

The Company's major financial instruments include accounts receivable, accounts payable, loans, lease liabilities, etc. The Company's financial management department supervises and manages financial risks related to the Company's operation by referring to the degree and width of risks to analyze internal risk reports for risk exposures. Such risks include market risks (including exchange rate risks and interest rate risks), credit risks, and current risks.

1. Market risks

The main financial risks that the Company bears for operating activities are risks in foreign currency exchange rate changes and risks in interest rate changes.

The Company's risk exposure related to financial instrument's market risk and its management and measurement methods for such risk exposure did not change.

(1) Exchange rate risks

For the Company's monetary assets and monetary liabilities' carrying amount denominated as non-functional currencies on the date of balance sheet, please refer to note 31.

Sensitivity analysis

The Company is mainly influenced by the fluctuation in the exchange rate for US dollars.

The table below describes in detail of the Company's sensitivity analysis when the exchange rate for NTD (functional currency) to each relevant currency increases or decreases 5%. 5% is the sensitivity percentage used when the Company internal reports the exchange rate risks to the main management level; it also represents the management level's evaluation on foreign currency exchange rate's reasonable range for possible changes. The table below shows when individual functional currency relatively appreciates by 5% to each relevant currency, the amount that will cause changes for net profit before tax. When NTD to each relative foreign currency depreciates by 5%, its impact on net profit before tax will be the same amount in reverse.

	US Dollar's Impact	
	2022	2021
Decrease in net profit before tax	($ 1,136)	($ 12,190)

The amounts above mainly originates from the Company's bank deposit in US dollars that are still outstanding on the date of balance sheet and has not undergone cash flow hedges, and from accounts receivable.

(2) Interest rate risks

The Company's carrying amount for financial assets and liabilities impacted by interest rate risk exposures on the date of balance sheet is as follow:

	December 31, 2022	December 31, 2021
Interest rate risk with fair value		
─ Financial assets	$ 29,600	$ 138,678
─ Financial liabilities	1,540,531	2,130,285
Interest rate risk with cash flow		
─ Financial assets	615,025	614,177
─ Financial liabilities	1,372,774	725,307

Sensitivity analysis

The sensitivity analysis below is determined by the interest rate risk exposure according to non-derivative instruments on the date of balance sheet. The Company internal uses 25 basis points increase/decrease rate of change when reporting the interest rate to the main management level. This also represents the management level's evaluation on the rate's reasonable range for possible changes.

If the interest rate increases/decreases by 25 basis points, under the circumstance that all other variables remain unchanged, the Company's net profit before tax for 2022 and 2021 relatively decreased/increased by NTD 1,894 thousands and NTD 278 thousands. This is mainly caused by the Company's risk exposures from variable interest rate bank demand deposit and loan risks.

2. Credit risks

Credit risks refer to the Company's risks in financial loss owing to the counterparty's delinquency in fulfilling contract obligations. As of the date of balance sheet, the Company may face greatest credit risk possibly because of financial loss owing to the counterparty's unfulfilled obligation, of which is mainly from the carrying amount for financial assets recognized in the individual balance sheet.

The policy that the Company adopts is to only make transactions with reputable targets, and the Company will obtain full collateral when necessary so as to reduce the risk of financial loss owing to delinquency.

The targets for accounts receivable encompass numerous customers, scattered in sales for oil and feeds. The Company does

not have any significant credit risk exposure against any single counterparty or any set counterparties with similar characteristics.

3. Current risks

The Company supports its operation and reduces the impact of cash flow fluctuation through management and through maintaining sufficient position of cash.

The Company's management level supervises the usage status of the bank's financing limit and ensures the fulfillment of the loan's contract clauses. As of December 31, 2022 and 2021, the Company's undrawn bank financing limit was respectively NTD 3,226,620 thousands and NTD 1,657,548 thousands.

The table below refers to the earliest possible repayment date requested upon the Company, and was prepared by the financial liability's undiscounted cash flow (including principal and estimated interest). Therefore, bank loans that may be required to be repaid immediately are listed within the earliest period on the table, without considering the probability of the bank immediately exercising this right. The maturity date analysis of other non-derivative financial liabilities was prepared based on the agreed repayment dates.

The undiscounted interest cash flows paid at a floating rate were derived based on the yield curve of the balance sheet date.

December 31, 2022

	On demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Liabilities without interest	$ 122,517	$ 167,231	$ 148,390	$ -	$ -
Lease liability	726	2,178	6,719	30,222	152,211
Floating interest rate instrument	7,447	166,434	300,123	946,645	-
Fixed interest rate instrument	534,556	112,298	749,911	-	-
	$ 665,246	$ 448,141	$ 1,205,143	$ 976,867	$ 152,211

Advanced information regarding maturity date analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liability	$ 9,623	$ 30,222	$ 18,495	$ 18,495	$ 18,495	$ 96,726

December 31, 2021

	On demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Liabilities without interest	$ 128,733	$ 178,569	$ 154,458	$ -	$ -
Lease liability	692	2,116	5,453	19,481	152,211
Floating interest rate instrument	18,707	110,872	80,728	515,000	-
Fixed interest rate instrument	758,909	787,013	441,434	-	-
	$ 907,041	$ 1,078,570	$ 682,073	$ 534,481	$ 152,211

Advanced information regarding maturity date analysis for lease liabilities:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liability	$ 8,261	$ 19,481	$ 18,495	$ 18,495	$ 18,495	$ 96,726

XXVIII. Related Parties' Transactions

(1) Related parties' names and relationships

Name of Related Parties	Relationship with the Company
Affiliated enterprises with significance	
Central Union Oil Corp.	Invested company denominated accounted for using equity method
Subsidiary companies	
TOP FOOD	The Company's subsidiary company
FU YOU AN KANG	The Company's subsidiary company
CHONG HSIANG INTERNATIONAL	The Company's subsidiary company
FORMOSA OIL PROCESSING (PANAMA) S.A.	The Company's subsidiary company
Other related parties	
Cheng Xin Investment Co., Ltd.	Its main shareholder is the Company's CEO's relative within first degree relationship
Morn Sun Feed Ltd.	The Company's juridical person director.

(2) Operating income

Items	Classification/Name of Related Parties	December 31, 2022	December 31, 2021
Sales income	Affiliated enterprises		
	Central Union Oil Corp.	$ 2,599,087	$ 2,378,189
	Subsidiary companies	944,237	551,708
	Other related parties	142,585	109,289
		$ 3,685,909	$ 3,039,186
Service revenue	Affiliated enterprises	$ 80	$ -

The Company sells processed soy flour and exclusively selected soy beans to affiliated enterprises, and the denomination for the selling price is the market price subtracting the selling price that affiliated enterprises should bear. Providing unloading and weighing services for affiliated enterprises, with fees charged based on a fixed unit price per processed ton. The transaction conditions for subsidiary companies and other related parties were defined separately.

(3) Purchases

Classification/Name of Related Parties	2022	2021
Subsidiary companies	$ 335,179	$ 268,529
Affiliated enterprises	158,749	347,209
	$ 493,928	$ 615,738

The Company's purchasing transaction with related parties was defined on a separate basis.

(4) Processing expense

Classification/Name of Related Parties	2022	2021
Affiliated enterprises		
Central Union Oil Corp.	$ 235,453	$ 225,139

Processing expenses are mainly the Company's entrusting of the affiliated enterprises to process and manufacture soybean oil, soy flour, exclusively selected soy beans, and shelled soy flour. As for the processing expense, it is denominated according to the entrusted processing contract agreed and signed by both parties. The contract price was decided on a separate basis.

(5) Lease Agreement

Operating lease rental

The Company offered workplaces as operating lease rentals to subsidiary company Chong Hsiang International Co., Ltd. and other related party Cheng Xin Investment Co., Ltd. The lease period is 5 years, and their rents and payment methods were decided separately.

Lease income is summarized as follow:

Classification/Name of Related Parties	2022	2021
Affiliated enterprise		
Chong Hsiang International	36	36
Other related parties		
Cheng Xin Investment	36	36
	$ 72	$ 72

The total amount of lease payments to be collected in the future are summarized as follow:

Classification/Name of Related Parties	December 31, 2022	December 31, 2021
Subsidiary company		
Chong Hsiang International	$ 138	$ 174
Other related parties		
Cheng Xin Investment	108	144
	$ 246	$ 318

(6) Other Income

Classification/Name of Related Parties	2022	2021
Subsidiary company		
Top Food	$ 7,311	$ 5,586
Chong Hsiang International	248	139
	$ 7,559	$ 5,725

(7) Accounts Receivable from Related Parties

Items	Classification/Name of Related Parties	December 31, 2022	December 31, 2021
Accounts receivable – related parties	Affiliated enterprise		
	CENTRAL UNION OIL CORP.	$ 343,114	$ 351,471
	Subsidiary Company		
	CHONG HSIANG INTERNATIONAL	175,291	138,068
	Other	2,402	1,563
	Other related parties	14,804	10,728
		$ 535,611	$ 501,830
Notes receivable – related parties	Subsidiary company	$ 4,650	$ 2,904
Other receivables – related parties	Affiliated enterprise	$ 40	$ -
	Subsidiary company		
	FORMOSA OIL PROCESSING (PANAMA) S.A.	-	150,330
	Other	666	637
		$ 706	$ 150,967

Subsidiary company – FORMOSA OIL PROCESSING (PANAMA) S.A had already passed the resolution for capital reduction in November 2020, and would return NTD 337,773 thousands to the Company. The aforementioned amount was received in February 2021. Another resolution for capital reduction had passed in December 2021, and the FORMOSA OIL PROCESSING (PANAMA) S.A would return NTD 150,330 thousands to the Company. The aforementioned amount was received in March 2022.

The Company did not receive pledge from related parties for outstanding accounts receivable. The accounts receivable from related parties for 2022 and 2021 were not listed as allowance loss.

(8) Accounts payable from related parties

Items	Classification/Name of Related Parties	December 31, 2022	December 31, 2021
Accounts payable – related parties	Subsidiary company		
	Top Food	$ 75,088	$ 64,717
	Affiliated enterprises		
	Central Union Oil Corp.	7,256	27,262
		$ 82,344	$ 91,979

The Company did not provide collateral to other related parties for the balance for outstanding accounts receivable.

(9) Endorsement and Guarantee

Classification/Name of Related Parties	December 31, 2022	December 31, 2021
Subsidiary company		
Top Food		
Guarantee amount	$ 3,280,000	$ 2,915,600
Actual amount spent	$ 1,946,887	$ 1,791,551

The Company offered endorsement and guarantee for Top Food's financing from the bank.

(10) Other

Items	Classification of Related Parties	2022	2021
Entertainment expense	Subsidiary company	$ 3	$ 2
Other expense	Affiliated enterprise	$ 1,274	$ 858

(11) Remunerations for Main Management Level

The total remunerations for directors and other main management levels for 2022 and 2021 are as follow:

	2022	2021
Short-term employees benefit	$ 7,052	$ 10,256
Post-employment benefit	243	299
	$ 7,295	$ 10,555

The directors' and other main management levels' remunerations were decided by the Remuneration Committee based on individual performance and market trends.

XXIX. Pledged Asset

The following assets had been provided as collaterals for bank loans:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 693,756	$ 697,430
Limited deposit – bank deposit	-	96,705
	$ 693,756	$ 794,135

XXX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

Except for those stated in other notes, the Company's significant commitments and contingencies on the date of balance sheet are as follow:

(1) Significant commitment

1. As of December 31, 2022 and 2021, the amount of the Company's issuance of unused letters of credit due to the purchasing of raw materials was respectively NTD 999,052 thousands and NTD 620,988 thousands.

2. Unrecognized contractual commitments are as follow:

	December 31, 2022	December 31, 2021
Purchase of property, plant, and equipment	$ 68,785	$ 67,952

(2) Contingencies

The Company purchased low cost oil as raw materials from Chang Chi Foodstuff Factory Co., Ltd. (hereafter referred to as Chang Chi Foodstuff), which resulted in the Company's compensation loss from oil recovery and possible related litigations. The Company filed for proceedings in a criminal case that brought a supplementary civil action against Chang Chi Foodstuff for compensation for damages in February 2014. The court convicted Chang Chi Foodstuff for offense of fraud in July 2014, and the Company should be jointly compensated with NTD 38,307 thousands. This case was appealed by Chang Chi Foodstuff, and was sent back by the Supreme Court for retrial. The Company won the lawsuit as judged by the court in November 2018. Chang Chi Foodstuff filed for appeal in January 2019. As of the date the board of directors approved this individual financial report, it was still under review by the court. The Company had not recognize such compensation gains yet.

XXXI. Foreign Currency Assets and Liability Information with Significant Impact

The information below is expressed in the Company's foreign currency aggregate apart from the Company's functional currency. The exchange rate disclosed refers to the exchange rate for such foreign currencies' conversion to functional currency. Foreign currency assets and liabilities with significant impact are as follow:

December 31, 2022

Unit: Foreign Currency thousands, NTD thousands

Foreign currency assets	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items			
US dollars	$ 740	30.71 (USD:NTD)	$ 22,725
Non-monetary items			
Subsidiary companies that adopt equity method			
US dollars	4,853	30.71 (USD:NTD)	149,047

December 31, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
US dollars	$ 8,810	27.68 (USD:NTD)	$ 243,805
Non-monetary items			
Subsidiary companies that adopt equity method			
US dollars	5,244	27.68 (USD:NTD)	145,157

Unrealized foreign currency exchange profit (loss) with significant impact is as follow:

	2022		2021	
Foreign Currency	Exchange Rate	Unrealized Net Exchange Profit (Loss)	Exchange Rate	Unrealized Net Exchange Profit (Loss)
US dollars	30.71 (USD:NTD)	($ 3,487)	27.68 (USD:NTD)	($ 7,048)

XXXII. Noted Disclosures

Related information on (1) Significant transactions and (2) reinvestment business:

1. Loan funds to others: none.
2. Offer endorsement and guarantee for others: Schedule 1
3. Final holding of marketable securities status (not including investments in subsidiary companies and affiliated enterprises): none.
4. Accumulated purchasing or selling of the same marketable securities' amount reaches NTD 300 million or more than 20% of the actual received capital: none.
5. The amount for obtained property reaches NTD 300 million or more than 20% of the actual capital received: none.
6. Disposal of the amount for obtained property reaches NTD 300 million or more than 20% of the actual received capital: none.
7. The amount for purchasing or selling or stocks with related parties reaches NTD 100 million or more than 20% of the actual received capital: Schedule 2.
8. Accounts receivable from related parties reach NTD 100 million or more than 20% of the actual received capital: Schedule 3.
9. Transaction of derivative products: none.
10. Information on invested companies: Schedule 4.

(3) Information on Investment in China:

1. Name of invested companies in China, main operating items, actual received capital, investment methods, status of outward/inward remittance of funds, final investment carrying value, repatriated investment gains, and investment amount limit in Mainland China: Schedule 5.
2. The following significant transactions, and their prices, payment conditions, and unrealized profit or losses that occurred directly or indirectly from the third region with the invested companies in China:
   (1) Purchasing amount and its percentage, and related accounts payable's final balance and its percentage: none.
   (2) Selling amount and its percentage, and related accounts receivable's final balance and its percentage: none.
   (3) Property transaction amount and its generated profit and loss amount: none.
   (4) Endorsement and guarantee for notes or the final balance and purpose for providing collaterals: none.
   (5) The highest balance, final balance, interest rate range, and total current interest for the accommodation of funds: none.
   (6) Other transactions that cause significant impacts on the current year's profit and loss status or financial status, such as the providing or the receiving of services, etc.: none.

(4) Main information on shareholders: name of shareholders whose equity ratio reaches more than 5%, shareholding amount, and pro rata: Schedule 6.

Formosa Oilseed Processing Co., Ltd.

Endorsement and Guarantee for Others

January 1 to December 31, 2022

Schedule 1

Unit: NTD thousands

Code	Name of Endorsement and Guarantee Company	Endorsed and Guaranteed Target		Endorsement and Guarantee Limit for Single Enterprise (note 2)	Maximum Endorsement and Guarantee Balance for the Current Period	Final Endorsement and Guarantee Balance	Actual Drawn Amount	Endorsement and Guarantee Amount Guaranteed by Property	Ratio of Accumulated Endorsement and Guarantee Amount to the Net Value of the Latest Financial Statement (%)	Maximum Limit for Endorsement and Guarantee (note 2)	Belonging to Parent Company's Endorsement and Guarantee for Subsidiary Companies (note 3)	Belonging to Subsidiary Companies' Endorsement and Guarantee for Parent Company (note 3)	Belonging to Endorsement and Guarantee for Mainland China (note 3)	Notes
		Name of Company	Relationship (note 1)											
0	Formosa Oilseed Processing	Top Food	(2)	$ 3,472,875	$ 3,280,000	$ 3,280,000	$ 1,946,887	$ -	94	$ 4,167,450	Y	—	—	

Note 1: ：the relationships between endorser and guarantee and endorsed and guaranteed targets are as follow:

(1) Companies with business relationships.

(2) Companies in which the company directly and indirectly holds more than 50% of voting shares.

(3) Companies that directly and indirectly hold more than 50% of voting shares towards the company.

(4) Between companies in which the company directly and indirectly holds more than 90% of voting shares.

(5) Based on the needs of contract engineering, companies from the same industry or joint creators that mutually guarantee according to contractual clauses.

(6) Companies endorsed and guaranteed by all shareholders according to their shareholding ratio owing to mutual investment relationships.

(7) Inter-industries that refer to the Consumer Protection Act that regulates the contract bond with joint collateral for the contract for the selling of pre-sold homes.

Note 2: the Company's handling of the total amount for endorsement and guarantee is limited to not exceeding 120% of the net value of the Company's latest financial statement. As for the limit for the endorsement and guarantee for domestic single enterprises, the limit shall not exceed 100% of the net value of the Company's latest financial statement. The limit for the endorsement and guarantee of foreign single affiliated companies shall not exceed 40% of the net value of the parent company's latest financial statement. Subsidiary companies' handling of the total amount for endorsement and guarantee is limited to not exceeding 50% of the net value of the subsidiary companies' latest financial statement. As for the limit for subsidiary companies' endorsement and guarantee for single enterprises, it is limited to not exceeding 20% of the net value of subsidiary companies' latest financial statement. The limit for subsidiary companies' endorsement and guarantee for foreign single affiliated companies shall not exceed 30% of the net value of subsidiary companies' latest financial statement.

Note 3: those belonging to parent companies listed on the OTC's endorsement and guarantee for subsidiary companies, those belonging to subsidiary companies' endorsement and guarantee for parent companies listed on the OTC, and those belonging to endorsement and guarantee for Mainland China should fill out "Y" at the beginning.

Formosa Oilseed Processing Co., Ltd.

Purchasing or Selling Amount with Related Parties Reaches NTD 100 million or Actual Received Capital Is Above 20%

January 1 to December 31, 2022

Schedule 2

Unit: NTD thousands

Purchases (Sales) Company	Name of Counterparty	Relationship	Transaction Status				Statues and Reasons for Discrepancy in Transaction Conditions and General Transaction		Notes and Accounts Receivable (Payable)		Note
			Purchases (Sales)	Amount	Percentage of Total Purchases (Sales) (%)	Credit Period	Unit Price	Credit Period	Balance	Percentage of Total Notes and Accounts Receivable (Payable) (%)	
Formosa Oilseed Processing Co., Ltd.	Central Union Oil Corp.	Affiliated enterprise	Sales	$ 2,599,087	23	45-60 days	Deduct of sales expense that should be borne by Central Union Oil Corp. according to market price	—	$ 343,114	24	
			Purchases and processing expenses	394,202	4	30-45 days	—	—	(7,256)	2	
Formosa Oilseed Processing Co., Ltd.	Top Food	Subsidiary company	Purchases	335,179	3	30-45 days	—	—	(75,088)	18	
Top Food	Formosa Oilseed Processing Co., Ltd.	Parent company	Sales	335,179	9	30-45 days	—	—	75,088	10	
Formosa Oilseed Processing Co., Ltd.	Chong Hsiang International	Subsidiary company	Sales	916,800	8	30-45 days	—	—	175,291	12	
Chong Hsiang International	Formosa Oilseed Processing Co., Ltd.	Parent company	Purchases	916,800	100	30-45 days	—	—	(175,291)	100	
Formosa Oilseed Processing Co., Ltd	Morn Sun Feed Ltd.	Other related parties	Sales	142,585	1	30-45 days	—	—	14,804	1	

Formosa Oilseed Processing Co., Ltd.

Accounts Receivable from Related Parties Reaches NTD 100 million or Actual Received Capital Is Above 20%

December 31, 2022

Schedule 3

Unit: NTD thousands

Companies Listed for Accounts Receivable	Name of Transaction Targets	Relationship	Balance for Accounts Receivable from Related Parties	Turnover	Accounts Receivable from Related Parties Overdue		Accounts Receivable from Related Parties Final Recovered Amount	Loss on Pre-Estimated Allowance
					Amount	Handling Method		
Formosa Oilseed Processing	Central Union Oil	Affiliated enterprise	$ 343,114	7 (times)	$ -	-	$ 343,114	$ -
Formosa Oilseed Processing	Chong Hsiang International	Subsidiary company	175,291	6 (times)	-	-	175,291	-

Formosa Oilseed Processing Co., Ltd.

Name, Location, and other Related Information about Invested Company

January 1 to December 31, 2022

Schedule 4

Unit: NTD thousands

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year (note 1)	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
FORMOSA OILSED PROCESSING	TOP FOOD	TAICHUNG CITY	Manufacturing and selling of flour products	$ 449,180	$ 449,180	51,963	63	$ 617,648	($ 29,051)	($ 18,189) (note 2)	Subsidiary company
	FORMOSA OIL PROCESSING (PANAMA) S. A.	PANAMA CITY, REPUBLIC OF PANAMA	General investment business	242,398	242,398	7	100	149,046	1,273	1,273	Subsidiary company
	FU YOU AN KANG	CHANG HUA COUNTY	Poultry breeding and wholesaling of agricultural products	25,908	25,908	2,591	51	18,787	(22,742)	(11,598)	Subsidiary company
	CHONG HSIANG INTERNATIONAL	TAICHUNG CITY	Wholesale trading of oil products	50,000	50,000	5,000	100	38,311	9,124	9,124	Subsidiary company
	CENTRAL UNION OIL	TAICHUNG CITY	Businesses regarding exclusive selection and rendering of soy beans	203,316	203,316	20,000	33	305,839	171,699	57,233	Affiliated enterprise

Note 1: calculated based on the accountant's auditing of the financial statement in the same period.

Note 2: recognized investment loss of NTD 18,348 thousands and added the unrealized benefits of countercurrent transactions of NTD 159 thousands.

Formosa Oilseed Processing Co., Ltd.

Investment Information in China

January 1 to December 31, 2022

Schedule 5

Unit: NTD thousands

Name of Invested Company in China	Main Operating Items	Actual Received Capital	Investment Method (note 1)	Accumulated Investment Amount Remitted Outward from Taiwan at BOY	Investment Amount Remitted Outward or Repossessed in the Current Year		Accumulated Investment Amount Remitted Outward from Taiwan at the End of the Year	Invested Company's Current Year Profit or Loss (note 3)	Shareholding Ratio of Parent Company's Direct or Indirect Investment	Investment Profit (Loss) Recognized in the Current Year (note 3)	Year-End Investment Carrying Amount (note 3)	Inward Remitted Investment Profit as of the Current Year	Note
					Outward Remittance	Repossession							
FORMOSA OILSEED PROCESSING (NINGBO)	Wholesale trading of oil products	$ 77,260	(2) (note 2)	$ 411,143	$ -	$ 151,782	$ 259,361	$ 1,308	100%	$ 1,308	$ 144,913	$ 467,746	

Year-End Accumulated Investment Amount Remitted Outward from Taiwan to Mainland China	Investment Amount Approved by the Investment Commission, MOEA (note 4)	Investment Limit in Mainland China According to Regulations by the Investment Commission, MOEA (note 5)
$ 259,361	$ 259,361	$ 2,083,858

Note 1: investment methods are categorized into three categories as follow, and it is acceptable to just mark the category:

(1) Direct investment in Mainland China.

(2) Reinvestment in China via companies from a third region.

(3) Other methods.

Note 2: the investing company from the third region is FORMOSA OIL PROCESSING (PANAMA) S.A.

Note 3: recognized based on the financial statements of the parent company in Taiwan, audited by certified public accountants during the same period.

Note 4: the parent company was approved by the Investment Committee, MOEA (1999) with No. Investment-Review-II-88710679 and No. Investment-Review-II-88727883 on February 8, 1999 and October 13, 1999, and indirectly invested USD 4,910 thousands and USD 17,975 thousands in Mainland China. In addition, on April 21, 2021, the Investment Committee approved the deduction of USD11,349 thousands from the investment in Mainland China by No. Investment-Review-II-11000089220, and on May 6, 2022, the Investment Committee approved the deduction of USD5,430 thousands from the investment in Mainland China by No. Investment-Review-II-11100052850.

Note 5: calculated based on the limited amount regulated by the "Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China" ordered by the Investment Committee, MOEA in August 2008.

Formosa Oilseed Processing Co., Ltd.

Information on Major Shareholders

December 31, 2022

Schedule 6

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Percentage
Shin Tai Industry Co., Ltd.	24,286,939	11.10%
Qun Sheng Fa Co., Ltd.	21,314,000	9.74%
Cheng Xin Investment Co., Ltd.	20,843,659	9.53%
An Da Investment Co., Ltd.	20,712,194	9.47%
Guan, Yao Zhan	17,103,887	7.82%
Shin Fong Trading Co., Ltd.	15,952,867	7.29%

Note 1: the information on major shareholders in this table is based on the calculation made by the TDCC, of which the shareholders hold more than 5% of the company's common share that was completed by non-physical payments (including treasury shares) and special shares on the last business day of the quarter-end of the current quarter. The share capital and the actual number of shares completed by non-physical payments recorded in the Company's individual financial report may differ due to the difference in calculation basis.

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Formosa Oilseed Processing Co., Ltd.

Schedule for Cash

December 31, 2022

Table 1 Unit: NTD thousands

Item	Balance
Cash on hand and petty cash	$ 148
Bank deposit	
Check deposit	29,600
Demand deposit (note)	615,025
	$ 644,773

Note: this includes USD 14 thousands; the exchange rate is USD 1 = NTD 30.71.

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Receivable

December 31, 2022

Table 2 Unit: NTD thousands

Name of Customer	Balance
Guochang Livestock Farm	$ 7,019
Dan Shin Enterprise Co., Ltd.	6,764
Huang, Qi-Cheng	6,659
Qiu, Shi-Chong	6,209
Kinda Commodities Company	5,436
Other (note)	190,897
Total	$ 222,984

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Accounts Receivable

December 31, 2022

Table 3 Unit: NTD thousands

Name of Customers	Balance
You Mu Co., Ltd.	$ 37,713
Wei Lih Food Industrial Co., Ltd.	37,677
Lian Hwa Foods Corporation	28,167
Taisun Enterprise Co., Ltd.	23,442
Presicarre Corporation	20,099
Other (note)	529,539
	676,637
Subtract: loss allowance	531
Net value	$ 676,106

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Inventory

December 31, 2022

Table 4 Unit: NTD thousands

Item	Balance	
	Costs	Market Price (note)
In-transit inventory	$ 710,779	$ 767,712
Raw materials	408,546	420,014
Finished goods	172,862	177,986
Work in progress	73,868	79,388
Materials	7,192	7,192
Total	$ 1,373,247	$ 1,452,292

Note: NRV

Formosa Oilseed Processing Co., Ltd.

Schedule for Investment Changes Accounted for Using Equity Method

2022

Table 5

Unit: NTD thousands, unless stated otherwise

Invested Company	BOY Balance		Increase in Current Year		Decrease in Current Year		Gains on subsidiary companies and affiliated enterprises accounted for using equity method	Exchange difference after conversion in foreign operating institutions' financial statements	Share of subsidiary companies and affiliated enterprises' other comprehensive income, accounted for using equity method	(Un)realized profit	Year-End Balance			Equity Net Value	Note
	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount					No. of Shares (1000)	Shareholding %	Amount	Amount	
Investments accounted for using equity method															
TOP FOOD	51,963	$ 687,580	-	$ -	-	($ 51,962)	($ 18,189)	$ -	$ -	$ 219	51,963	63	$ 617,648	$ 619,482	Notes 1 & 3
FORMOSA OIL PROCESSING (PANAMA) S.A.	7	145,157	-	-	-	-	1,273	2,616	-	-	7	100	149,046	149,046	Note 3
FU YOU AN KANG CORP.	2,591	30,436	-	-	-	-	(11,598)	-	-	(51)	2,591	51	18,787	18,877	Note 3
ZHONG XIANG INTERNATIONAL CORP.	5,000	29,187	-	-	-	-	9,124	-	-	-	5,000	100	38,311	38,311	Note 3
CENTRAL UNION OIL CORP.	20,000	284,271	-	-	-	(36,000)	57,233	-	510	(175)	20,000	33	305,839	306,724	Notes 2 & 3
		$ 1,176,631		$ -		($ 87,962)	$ 37,843	$ 2,616	$ 510	($ 7)			$ 1,129,631	$ 1,132,440	

Note 1: The decrease in current year is due to the allocation of Top Food's cash dividend.
Note 2: The decrease in current year is due to the allocation of Central Union Oil's cash dividend.
Note 3: It is calculated based on the invested company's audited financial statements and the Company's shareholding ratio.

Formosa Oilseed Processing Co., Ltd.

Schedule for Changes in ROU Assets

2022

Table 6 Unit: NTD thousands

	Land	Buildings	Transport equipment	Total
Cost				
January 1, 2022 balance	$142,464	$ 2,853	$ 16,185	$161,502
Current year addition	-	-	15,705	15,705
Current year disposal	(654)	-	(10,086)	(10,740)
December 31, 2022 balance	141,810	2,853	21,804	166,467
Accumulated depreciation				
January 1, 2022 balance	(9,605)	(1,369)	(9,416)	(20,390)
Depreciation expense	(3,054)	(456)	(4,490)	(8,000)
Current year disposal	654	-	10,086	10,740
December 31, 2022 balance	(12,005)	(1,825)	(3,820)	(17,650)
December 31, 2022 net amount	$129,805	$ 1,028	$ 17,984	$148,817

Formosa Oilseed Processing Co., Ltd.

Schedule for Short-Term Loans

December 31, 2022

Table 7

Type(s) of loan and creditors	Loan period	Year interest (%)	Balance	Amount financed	Pledge or collateral
Credit Loans					
Bank SinoPac, Fengyuan Branch	Nov.2022-Jan.2023	1.66	$ 258,000	$ 600,000	None
Cathay United Bank, Taichung Branch	Jul.2022-Mar.2023	1.30~1.71	242,904	255,000	None
Taiwan Cooperative Bank, Sinjhong Branch	Jun.2022-Jul.2023	1.50~1.55	200,000	300,000	None
Agricultural Bank of Taiwan Corporation, Taichung Branch	Oct.2022-Oct.2023	1.56	200,000	300,000	None
Taiwan Cooperative Bank, Songjiang Branch	Jul.2022-Sep.2023	1.55	195,000	500,000	None
Shanghai Commercial and Savings Bank, Chung Li Branch	Nov.2022-May.2023	1.68	118,484	150,000	None
Bank of Taiwan, Taichung Harbor Branch	Oct.2022-Jan.2023	1.55	78,000	180,000	None
First Commercial Bank, Nanmen Branch	Dec.2022-Jan.2023	1.79	34,000	130,000	None
Taiwan Business Bank, Shalu Branch	Nov.2022-May.2023	1.75	32,500	100,000	None
Mega International Commercial Bank, Taipei Fuxing Branch	Dec.2022-Feb.2023	1.98	30,000	300,000	None
			1,388,888	2,815,000	
Letter of Credit Loans					
Chang Hwa Bank Head Office	Dec.2022-Mar.2023	5.76	79,569	350,000	None
Hua Nan Commercial Bank, Ltd., Chuxu Branch	Dec.2022-Jun.2023	6.08	74,446	500,000	None
Taiwan Business Bank, Shalu Branch	Dec.2022-Feb.2023	6.12	47,411	100,000	None
Taiwan Cooperative Bank, Songjiang Branch	Dec.2022-Jun.2023	6.12	39,225	500,000	None
Mega International Commercial Bank, Taipei Fuxing Branch	Dec.2022-Feb.2023	5.41	34,363	300,000	None
Taichung Commercial Bank, West Taichung Branch	Dec.2022-Jun.2023	5.71	13,105	300,000	None
Taiwan Cooperative Bank, Sinjhong Branch	Dec.2022-Jan.2023	5.35	4,655	300,000	None
			292,774	2,350,000	
			$ 1,681,662	$ 5,165,000	

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Payable

December 31, 2022

Table 8 Unit: NTD thousands

Name of Suppliers	Balance
Guangan Transportation Co., Ltd.	$ 759
Qingyi Motor Freight Co., Ltd.	595
Zhao, Wei-Hong	533
Dingyou Transportation Co., Ltd.	309
Dengshun Express Co., Ltd.	291
Lianyun Freight Co., Ltd.	261
Rijian Express Co., Ltd.	250
Liantong Motor Freight Co., Ltd.	247
Other (note)	1,597
	$ 4,842

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Accounts Payable

December 31, 2022

Table 9 Unit: NTD thousands

Name of Suppliers	Balance
Taisun Enterprise Co., Ltd.	$ 44,231
Lung Ming Green Energy Technology Engineering Co., Ltd.	27,504
Fure Shing Can Printing Mfg. Co.	12,050
Renjia Co., Ltd.	9,239
Ming She Industry Co., Ltd.	6,258
Other (note)	222,370
	$ 321,652

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.

Schedule for Long-Term Loans

December 31, 2022

Table 10

Unit: NTD thousands

Loan Creditor Banks	Credit Period	Repayment Methods	Year Interest (%)	Balance			Collateral
				Due within 1 year	Due over 1 year	Total	
E.SUN Commercial Bank	Apr 2022 – Apr 2027	The first installment was repaid in February 2022; every 6 months is 1 installment. The loan will be evenly amortized in 10 installments.	1.55	$ 160,000	$ 560,000	$ 720,000	Property, plant and equipment
E.SUN Commercial Bank	Oct 2022 – Feb 2025	According to contract regulations, the loan principal can be used as revolving loan within the financing limit from the first draw date of the loan principal in October 2022 until 2025 before the maturity date.	1.57	-	200,000	200,000	Property, plant and equipment
Taiwan Cooperative Bank	Jun 2022 – Mar 2024	The settlement of the amount employed this time reached the 24th month since March 2021. The contract was extended in February 2022 and the settlement of the amount employed this time reached the 24th month since March 2022, the draw date of the loan principal.	1.51	-	160,000	160,000	None
Total				$ 160,000	$ 920,000	$ 1,080,000	

Formosa Oilseed Processing Co., Ltd.

Schedule for Lease Liabilities

December 31, 2022

Table 11 Unit: NTD thousands

Title	Lease Period	Discount Rate	Year-End Balance	Note
Land	11/1/2017-09/30/2068	1.08%～1.38%	$131,558	None
Buildings	4/1/2016-3/31/2025	1.38%	1,055	None
Transport equipment	01/01/2019-09/30/2027	1.08%～1.57%	19,030	None
Subtract: those listed under current			(7,925)	
Lease liabilities – non-current			$143,718	

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Income

2022

Table 12 Unit: NTD thousands

Item	Quantity (t)	Amount
Sales income		
Soybean oil, soy flour	239,904	$ 7,150,641
Feeds	75,889	1,229,104
Corn, oatmeal	225,777	3,082,016
Subtotal		11,461,761
Subtract: sales returns and sales discount		12,757
Net value		11,449,004
Service revenue		
Unloading and weighing service		820
Subtotal		820
Total operating income		$11,449,824

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Costs

2022

Table 13 Unit: NTD thousands

Item	Amount
Direct raw material	
BOY raw material and in-transit inventory	$ 865,628
Plus (subtract):	
Current year incoming material	8,282,466
Selling of raw material	(2,588,930)
Year-end raw material and in-transit inventory	(1,126,517)
Direct raw material consumption	5,432,647
Direct labor	33,191
Manufacturing expense	400,517
Manufacturing costs	5,866,355
Plus (subtract):	
BOY work in progress	82,254
Purchased work in progress	145,270
Selling of work in progress	(124,689)
Year-end work in progress	(73,868)
Finished goods costs	5,895,322
Plus (subtract):	
BOY finished goods and products	219,659
Purchased finished goods and products	2,003,372
Rendering fee	(2,068)
Year-end finished goods and products	(172,862)
Production and marketing costs	7,943,423
Costs for selling of raw material	2,588,930
Costs for selling of work in progress	124,689
Service costs	432
Customs tax refund income	(4,980)
Operating costs	$10,652,494

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Expenses

2022

Table 14 Unit: NTD thousands

	Promotion expense	Management expense	Research and development expense	Expected loss of credit impairment	Total
Salary	$ 52,256	$ 62,096	$ 4,700	$ -	$119,052
Freight	89,398	85	63	-	89,546
export expenses	63,507	-	-	-	63,507
Depreciation	5,409	7,725	2,267	-	15,401
Directors' remuneration	-	11,171	-	-	11,171
Expected loss of credit impairment	-	-	-	317	317
Other (note)	59,705	37,932	6,979	-	104,616
	$270,275	$119,009	$ 14,009	$ 317	$403,610

Note: the balance for each account did not reach 5% of the balance for this item.

Formosa Oilseed Processing Co., Ltd.
Functional Summary Statement for Employee Benefits, Depreciation, Amortized Expenses
2022 and 2021

Table 15 Unit: NTD thousands

	2022			2021		
	Belonging to operating costs	Belonging to operating expenses	Total	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expense						
Salary expense	$ 54,726	$ 119,052	$ 173,778	$ 50,399	$ 126,000	$ 176,399
Labor and health insurance expenses	5,501	10,432	15,933	4,938	10,660	15,598
Directors' remuneration	-	11,171	11,171	-	12,992	12,992
Pension expense	2,464	4,850	7,314	2,282	5,029	7,311
Other employee benefits expense	2,151	8,139	10,290	1,762	6,405	8,167
Depreciation expense	44,237	15,401	59,638	14,198	15,159	29,357
Amortized expense	7	35	42	999	-	999

Note 1: The Company's number of employees for 2022 and 2021 are respectively 240 and 237, of which the number of directors who are not part-time employees are 7 for both years.

Note 2: (1) The average employee benefits expense for the current year is NTD 890 thousands ("Total employee benefits expense for the current year" – "Total directors' remuneration" / "Numbers of employees for the current year" – "Numbers of directors who are not part-time employees")
The average employee benefits expense for the previous year was NTD 902 thousands. ("Total employee benefits expense for the previous year" – "Total directors' remuneration" / "Numbers of employees for the previous year" – "Numbers of directors who are not part-time employees")

(2) The average employee salary expense for the current year is NTD 746 thousands (total salary expense for the current year / "numbers of employees for the current year – directors who are not part-time employees").
The average employee salary expense for the previous year was NTD 767 thousands (total salary expense for the previous year / "numbers of employees for the previous year – directors who are not part-time employees").

(3) The changes in average employee salary expense is 2% ("average employee salary expense for the current year – average employee salary expense for the previous year" / average employee salary expense for the previous year).

(4) The Company did not establish supervisors' system, so there is no supervisors' remuneration.

(5) The Company's salary and remuneration policies for directors, independent directors, managers, and employees are stated as follow:

A. Remunerations for directors and independent directors: paid according to the "Directors, Supervisors, and Functional Committees' Remunerations Payment Plan" approved by the board of directors.
   a. The directors' remunerations are allocated according to the rules in the Company's by-laws. Independent directors do not take part in the allocation.
   b. Attendance fees for attending board of directors' meetings.
   c. Fixed amount of remunerations is paid to functional committee members every month.

B. Remunerations for managers: salaries for high-level managers are approved by the board of directors. Variable remunerations are paid according to the "Regulations for Managing Year-End Bonus and Annual Allocation of Employee Remunerations."

C. The employees are handled according to the Company's related rules governing practitioners' salary.

D. The Company's Salary and Remunerations Committee evaluates on a regular basis, and sets salaries and remunerations for directors and managers.