Ticker Symbol: 1225

Formosa Oilseed Processing Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

2023 and 2022

Address: No. 453, Section 1, Shatian Road,
Dadu District, Taichung City
Tel: (04)2693-0625

Notice to Readers

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

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Independent Auditors' Report

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

Opinion

FOPCO's parent company only balance sheets for December 31, 2023 and 2022, and parent company only statements of comprehensive income from January 1 to December 31, 2023 and 2022, parent company only statements of changes in equity, parent company only statements of cash flows, and notes to parent company only financial statements (including summaries for significant accounting policies), have already been audited by the Accountant.

According to the Accountant's opinion, the preparation of all significant aspects of the above-mentioned parent company only financial statements refers to the Guidelines for the Preparation of Financial Reports for Issuer of Securities. It is sufficient to appropriately express FOPCO's parent company only financial situation for December 31, 2023 and 2022, and its parent company only financial performance and parent company only cash flow from January 1 to December 31, 2023 and 2022.

The Basis of Opinion

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

Key Audit Matters

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

KAMs regarding FOPCO's 2023 parent company only financial statements are stated as follow:

Depreciation of Inventories

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

As of December 31, 2023, the amount for FOPCO's in-transit inventory and raw material is NTD 1,090,949 thousands (refer to note 8), which accounts for 16% of total assets, and 87% of net inventory value for the parent company only financial statements for December 31, 2023. Of which, its costs and related selling price are influenced by global raw material prices, which is possible for violent fluctuations, and will result in the risk of having the raw material's NRV lower than the carrying amount. Owing to the regulation for management level's reference to IAS 2 "inventory" to evaluate the NRV for inventories as mentioned above, there involved estimation and judgment, of which its judgment result directly influenced the recognition of profit and loss amount, it is listed as part of KAMs.

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

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

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

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

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

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

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

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

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

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

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

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

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

The Accountant will decide the KAMs for the audit of FOPCO's 2023 parent company only financial statements from the Accountant's communication with the governing body. The Accountant will state such matters in the audit report. Unless regulations disapprove the disclosure of specific matters, or under rare circumstances, the Accountant decides not to communicate about certain matters in the audit report. This is because one can reasonably expect the negative impact that this communication brings is greater than the increased public interests.

Hsieh, Chien-Hsin

Independent Accountants

Chang, Keng-Hsi

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

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, Deloitte & Touche cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Formosa Oilseed Processing Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

Unit: NTD thousands

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

The accompanying notes are an integral part of the parent company only financial statements.

Formosa Oilseed Processing Co., Ltd.

Parent Company Only Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousands;
EPS in NTD

Code		2023		2022	
		Amount	%	Amount	%
	Operating revenue (notes 4, 20 & 27)				
4110	Sales income	$ 10,790,592	100	$ 11,461,761	100
4170	Subtract: sales returns and allowances	9,623	-	12,757	-
4100	Net operating income	10,780,969	100	11,449,004	100
4800	Other operating revenue	2,684	-	820	-
4000	Total operating revenue	10,783,653	100	11,449,824	100
5110	Cost of sales (notes 8 & 27)	10,086,329	93	10,652,494	93
5900	Gross profit	697,324	7	797,330	7
5910	Realized (unrealized) profit with subsidiary companies and affiliated enterprises	351	-	(226)	-
5950	Realized gross profit	697,675	7	797,104	7
	Operating expenses (note 27)				
6100	Promotion expenses	246,281	3	270,275	3
6200	Management expenses	126,930	1	119,009	1
6300	Development expenses	17,104	-	14,009	-
6450	Expected loss of credit impairment (note 7)	1,220	-	317	-
6000	Total operating expenses	391,535	4	403,610	4
6510	Other net revenue and expenses (note21)	219	-	698	-
6900	Net operating profit	306,359	3	394,192	3
	Non-operating income and expenses				
7070	Gains on subsidiary companies and affiliated enterprises, accounted for using equity method (note 4)	124,333	1	37,843	-
7630	Foreign currency exchange net profit (note 21)	25,115	-	41,760	1

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7100	Interest income	$ 3,604	-	$ 1,409	-
7110	Rent income (note 27)	422	-	314	-
7190	Other income (notes 27)	9,269	-	9,893	-
7510	Interest expense (note 21)	(45,677)	-	(31,204)	-
7520	Miscellaneous expense	(256)	-	(1,624)	-
7000	Total non-operating income and expenses	116,810	1	58,391	1
7900	Profit before tax	423,169	4	452,583	4
7950	Income tax fees (notes 4 & 22)	55,290	1	83,589	1
8200	Net profit	367,879	3	368,994	3
	Other comprehensive income				
8310	Items not reclassified under profit and loss:				
8311	Remeasurements of defined benefit plan (notes 4 & 18)	542	-	9,477	-
8330	Share of affiliated enterprises' other comprehensive income, accounted for using equity methods (note 4)	252	-	510	-
		794	-	9,987	-
8360	Items that may be reclassified under profit and loss afterwards:				
8361	Exchange difference after conversion of foreign operations' financial statements (note 4)	(2,385)	-	2,616	-
8300	Total other (net) comprehensive income	(1,591)	-	12,603	-
8500	Total comprehensive income	$ 366,288	3	$ 381,597	3
	EPS (note 23)				
9710	Basic	$ 1.60		$ 1.61	
9810	Diluted	$ 1.60		$ 1.61	

The accompanying notes are an integral part of the parent company only financial statements.

Formosa Oilseed Processing Co., Ltd.

Parent Company Only Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousands;
EPS in NTD

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

The accompanying notes are an integral part of the parent company only financial statements.

Formosa Oilseed Processing Co., Ltd.

Parent Company Only Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

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

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

The accompanying notes are an integral part of the parent company only financial statements.

Formosa Oilseed Processing Co., Ltd.

Notes to Parent Company Only Financial Statements

January 1 to December 31, 2023 and 2022

(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 parent company only financial statement is expressed in the Company's functional currency New Taiwan Dollars (NTD).

II. Date of Approval and Procedures for Financial Report

This parent company only financial report was approved by the board of directors on March 13, 2024.

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 IFRS accounting standards) 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
Amendments to IAS 1, "Disclosure of Accounting Policies"	Jan 1, 2023
Amendments to IAS 8, "Definition of Accounting Estimates"	Jan 1, 2023
Amendments to IAS 12, "Deferred Tax related to Assets and Liabilities arising from a Single	Jan 1, 2023
Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules"	Jan 1, 2023

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

(2) The Application of the IFRS accounting standards as Approved by the FSC for 2024

Newly Announced／Amended／Amendments & IFRIC	Effective Date for Announcement of IASB (note 1)
Amendments to IFRS 16, "Lease Liability in a Sale and Leaseback"	Jan 1, 2024 (note 2)
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
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	Jan 1, 2024 (note 3)

Note 1: Unless stated otherwise, the above new, amended, or revised IFRSs are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: Part of the disclosure regulations is exempt at first-time adoption of the modification.

As of the approval date of the financial statements, the company evaluates that the application of aforementioned amended standards and interpretations will not have significant impact on the company's financial position and financial performance.

(3) IFRS accounting standards 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 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 21 "Lack of Exchangeability"	Jan 1, 2025 (note 2)

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 amendments apply to annual reporting periods beginning on or after 1 January 2025. The company shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings. When the company uses a presentation currency other than its functional currency, the company shall recognize any effect of initially applying the amendments as an adjustment to the exchange differences in the conversion of the financial statements of foreign operations under equity at the first-adoption date.

The company continues to evaluate the impact of the amendments to the other standards and interpretations on the financial status and financial

performance; the relevant impact will be disclosed upon completion of the assessment.

IV. Statement for Summaries for Significant Accounting Policies

(1) Compliance Assertion

This parent company only financial statements were 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 parent company only financial statements were prepared on the basis of historical cost.

When preparing parent company only financial statements, the Company handles invested subsidiary companies and affiliated enterprises by using equity methods. In order to have this parent company only financial statements' current year profit and loss, other comprehensive income, and equity the same as the Company's 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 parent company only 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 parent company only 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 parent company only financial statements, 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 and work in progress. 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 parent company only 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 parent company only 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 parent company only 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 parent company only 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 straight-line 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.

At derecognition of intangible assets, the differences between the net proceeds from the disposals and the carrying amount of the assets shall be recognized in profit or loss.

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

The Company evaluates whether there are any traces showing possible impairments in property, plant, and equipment, ROU assets and intangible 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 parent company only 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. Receipts in advance from sales of goods shall be recognized as contract liabilities before goods are delivered to places designated by customers or the conditions of delivery have been fulfilled.

   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. Other operating revenue

   Other operating revenue arises from services, including unloading and weighing, and warehousing, etc. The amounts of income are collected by fixed unit prices based on number of tons handled. Relevant income is recognized when rendering services.

(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 parent company only balance sheets.

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 parent company only balance sheets.

(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.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss. However, current and deferred income tax related to items recognized in other comprehensive income or directly recognized in equity, shall be recognized in other comprehensive income or directly in equity, accordingly.

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.

When the Company develops significant accounting estimate values, it takes into consideration of the impact of inflation and volatility of market interest rates on significant estimations about cash flow forecasts, growth rate, discount rate, and profitability, etc., and the management will continue to review the estimation and the basic assumptions.

The information on primary assumptions and estimation uncertainty is as follows:

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, 2023	December 31, 2022
Cash on hand & petty cash	$ 132	$ 148
Bank checks & demand deposit	620,070	644,625
	$ 620,202	$ 644,773

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

	December 31, 2023	December 31, 2022
Bank deposit	0.01%～1.57%	0.01%～1.05%

VII. Notes Receivable, Accounts Receivable, and Other Receivables

	December 31, 2023	December 31, 2022
Notes Receivable		
Total carrying amount measured at amortized cost	$ 186,639	$ 222,984
Accounts Receivable		
Total carrying amount measured at amortized cost	$ 548,067	$ 676,637
Subtract: loss allowance	1,751	531
	$ 546,316	$ 676,106
Other Receivables		
Export rebate receivable	$ 6,852	$ 10,415
Import price difference receivable	6,836	7,730
Others	49	369
	$ 13,737	$ 18,514

(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, 2023

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 186,639
Allowance loss (expected credit loss during duration)	-
Amortized cost	$ 186,639

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

(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, 2023

	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%	0.34%-5.89%	-	-	-	-	100%	100%	
Total carrying amount	$ 539,335	$ 7,166	$ -	$ -	$ -	$ -	$ 24	$ 1,542	$ 548,067
Loss allowance (expected credit loss during duration)	(106)	(79)	-	-	-	-	(24)	(1,542)	(1,751)
Amortized cost	$ 539,229	$ 7,087	$ -	$ -	$ -	$ -	$ -	$ -	$ 546,316

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

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

	2023	2022
BOY balance	$ 531	$ 214
Add: current year provision impairment loss	1,220	317
Year-end balance	$ 1,751	$ 531

(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.

VIII. Inventory

	December 31, 2023	December 31, 2022
Inventory in-transit	$ 920,472	$ 710,779
Raw materials	170,477	408,546
Finished goods	135,681	172,862
Work in progress	29,157	73,868
Materials	5,186	7,192
	$ 1,260,973	$ 1,373,247

Operating costs related to inventory for the year 2023 was NTD 10,085,535 thousand, of which NTD 5,975 thousand included was inventory gain. Operating costs related to inventory for the year 2022 was NTD 10,652,062 thousand, of which NTD 971 thousand included was inventory loss and NTD 6,864 thousand was loss on inventory price decline.

IX. Prepayments

	December 31, 2023	December 31, 2022
Excess business tax paid	$ 39,601	$ 126,896
Other prepayments	14,413	14,044
Prepayments to suppliers	413	404
	$ 54,427	$ 141,344

X. Investments by Using Equity Method

	December 31, 2023	December 31, 2022
Investments in subsidiary companies	$ 892,380	$ 823,792
Investments in affiliated enterprises	316,021	305,839
	$ 1,208,401	$ 1,129,631

(1) Investments in subsidiary companies

	December 31, 2023	December 31, 2022
TOP FOOD	$ 683,134	$ 617,648
FORMOSA OIL PROCESSING (PANAMA) S.A.	143,921	149,046
CHONG HSIANG FOODS INDUSTRY CO., LTD.	43,220	38,311
FU YOU AN KANG CORP.	22,105	18,787
	$ 892,380	$ 823,792

	Ownership Interests and Voting Rights Percentage	
Name of Subsidiary Companies	December 31, 2023	December 31, 2022
TOP FOOD	63%	63%
FORMOSA OIL PROCESSING (PANAMA) S.A.	100%	100%
CHONG HSIANG FOODS	100%	100%
FU YOU AN KANG CORP.	51%	51%

Share of subsidiary companies' profit or loss and other comprehensive income, accounted for using equity method for 2023 and 2022, were recognized in each subsidiary company's financial statements as audited by accountants during the same period.

(2) Investments in affiliated enterprises

	December 31, 2023	December 31, 2022
Affiliated enterprises with significance		
CENTRAL UNION OIL CORP.	$ 316,021	$ 305,839

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

Name of Company	December 31, 2023	December 31, 2022
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' IFRS accounting standards financial statements, and had already reflected the adjustments made when using the equity method.

Central Union Oil Corp.

	December 31, 2023	December 31, 2022
Current assets	$ 1,165,861	$ 1,129,306
Non-current assets	1,405,033	1,432,624
Current liabilities	(1,504,769)	(1,461,584)
Non-current liabilities	(116,551)	(180,172)
Equity	$ 949,574	$ 920,174
The Company's shareholding ratio	33.33%	33.33%
The Company's equity	$ 316,524	$ 306,724
Unrealized gains (losses) on downstream transactions	(503)	(885)
Carrying amount for investments	$ 316,021	$ 305,839

	2023	2022
Operating income	$ 11,335,270	$ 11,360,367
Current year's net profit	$ 160,645	$ 171,699
Other comprehensive income	755	1,531
Total comprehensive income	$ 161,400	$ 173,230
Dividend obtained from Central Union Oil Corp.	$ 44,000	$ 36,000

XI. Property, Plant, and Equipment

	December 31, 2023	December 31, 2022
Land	$ 715,940	$ 715,940
Buildings	695,968	718,385
Machinery equipment	587,215	619,044
Transport equipment	6,561	6,399
Experimental equipment	12,178	6,483
Other equipment	54,465	60,047
Unfinished projects	15,942	5,530
	$ 2,088,269	$ 2,131,828

	Land	Buildings	Machinery equipment	Transport equipment	Experimental equipment	Other equipment	Unfinished projects	Total
Cost								
Jan 1, 2023 balance	$ 715,940	$ 937,123	$ 956,497	$ 23,636	$ 12,222	$ 273,448	$ 5,530	$ 2,924,396
Addition	-	-	2,989	1,760	6,916	5,809	10,893	28,367
Disposal	-	-	-	(480)	-	(3,079)	-	(3,559)
Reclassification	-	-	-	-	-	481	(481)	-
Dec 31, 2023 balance	715,940	937,123	959,486	24,916	19,138	276,659	15,942	2,949,204
Accumulated Depreciation								
Jan 1, 2023 balance	-	(218,738)	(337,453)	(17,237)	(5,739)	(213,401)	-	(792,568)
Disposal	-	-	-	480	-	3,079	-	3,559
Depreciation expense	-	(22,417)	(34,818)	(1,598)	(1,221)	(11,872)	-	(71,926)
Dec 31, 2023 balance	-	(241,155)	(372,271)	(18,355)	(6,960)	(222,194)	-	(860,935)
Dec 31, 2023 net amount	$ 715,940	$ 695,968	$ 587,215	$ 6,561	$ 12,178	$ 54,465	$ 15,942	$ 2,088,269
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

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 2023 and 2022.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 28.

XII. Leasing Agreement

(1) ROU assets

	December 31, 2023	December 31, 2022
ROU assets carrying amount		
Land	$ 126,914	$ 129,805
Buildings	571	1,028
Transport equipment	14,711	17,984
	$ 142,196	$ 148,817

	2023	2022
Increase of ROU assets	$ 1,267	$ 15,705
Depreciation expense for ROU assets		
Land	$ 2,891	$ 3,054
Buildings	457	456
Transport equipment	4,540	4,490
	$ 7,888	$ 8,000

(2) Lease liabilities

	December 31, 2023	December 31, 2022
Lease liabilities carrying amount		
Current	$ 8,965	$ 7,925
Non-current	$ 137,568	$ 143,718

Discount rate range for lease liabilities is as follow:

	December 31, 2023	December 31, 2022
Land	1.08%～1.38%	1.08%～1.38%
Buildings	1.38%	1.38%
Transport equipment	1.08%～1.82%	1.08%～1.57%

(3) Significant Rental Activities and Clauses

The 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 Company all belong to the Company during the contract period (including renewal of contract). During the duration of the contract, the 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 Company does not

have the right of preferential refusal towards the leased land. The Company's oil and fat factory in Dadu District, Taichung will also be relocated to this development area. According to the 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 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 to 50 years.

The Company rents buildings for being used as plant, and the lease period is 9 years.

The Company rents part of the transportation equipment for being used as business cars, and the lease period is 1.5~5 years.

(4) Other Leasing Information

	2023	2022
Short-term leasing fees	$ 391	$ 115
Low value assets leasing fees	$ 524	$ 501
Total leasing cash (outflow)	($ 8,952)	($ 9,194)

The Company chooses to recognize the renting of business premises 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.

XIII. Intangible Assets

	December 31, 2023	December 31, 2022
Computer software	$ 1,467	$ 993

	Computer software
Cost	
Beginning balance as of January 1, 2023	$ 1,028
Additions	824
Balance as of December 31, 2023	$ 1,852
Amortization	
Beginning balance as of January 1, 2023	$ 35
Amortization expense	350
Balance as of December 31, 2023	$ 385
Net as of December 31, 2023	$ 1,467

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	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

XIV. Other Non-Current Assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	$ 6,379	$ 6,965
Prepayments for equipment	3,247	233
Other prepayments	1,415	27
	$ 11,041	$ 7,225

XV. Loans

(1) Short-term loans

	December 31, 2023	December 31, 2022
Unsecured loans		
Credit loans	1,396,750	1,388,888
Letter of credit loans	51,353	292,774
	$ 1,448,103	$ 1,681,662

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

	December 31, 2023	December 31, 2022
Unsecured loans		
Credit loans	1.71%～1.88%	1.30%～1.98%
Letter of credit loans	6.29%～6.49%	5.35%～6.12%

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

	December 31, 2023	December 31, 2022
Secured loan		
E.SUN Commercial Bank	$ 710,000	$ 920,000
Unsecured loan		
Taiwan Cooperative Bank	270,000	160,000
Subtotal	980,000	1,080,000
Subtract: listed as the part that is due within one year	160,000	160,000
Long-term loan	$ 820,000	$ 920,000

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

	December 31, 2023	December 31, 2022
Floating interest rate loans	1.78%～1.82%	1.51%～1.57%

1. E.SUN Commercial Bank's secured loan: The Company signed a credit contract with E.SUN Commercial Bank in February 2022, with a total amount of NTD 800,000 thousand. 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, 2023 and 2022, the loan balances were NTD 560,000 thousand and NTD 720,000 thousand, respectively. 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 to undergo additional procedures for the principal's transfer in/out. As of December 31, 2023 and 2022, the loan balance was NTD 150,000 thousand and NTD 200,000 thousand, respectively. 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 Company's draw date of the loan principal. According to the contract, the amount is for revolving use before maturity. The contract was extended in February 2023 and the settlement of the amount employed this time reached the 24th month since March 2023, the draw date of the loan principal. As of December 31, 2023 and 2022, the loan balance was respectively NTD 270,000 thousand and NTD 160,000 thousand.

XVI. Notes Payable and Accounts Payable

	December 31, 2023	December 31, 2022
Notes payable		
Incurred by business operations	$ 4,634	$ 4,842
Accounts payable		
Incurred by business operations	$ 188,320	$ 321,652

(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.

XVII. Other Payables

	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 73,571	$ 75,566
Payables for construction	27,504	-
Freight payable	7,955	7,453
Import and export expenses payable	3,792	4,418
Labor and health insurance payable	2,739	2,498
Other	9,661	14,931
	$ 125,222	$ 104,866

XVIII. 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 parent company only balance sheets are as follow:

	December 31, 2023	December 31, 2022
PV for defined benefit obligation	$ 68,776	$ 75,566
Planned assets fair value	(61,210)	(66,881)
Allocation insufficiency	7,566	8,685
Net defined benefit liabilities	$ 7,566	$ 8,685

Changes in net defined benefit liabilities are as follow:

	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
Jan 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
January 1, 2023	$ 75,566	($ 66,881)	$ 8,685
Service cost			
Current service cost	323	-	323
Interest expenses (income)	850	(758)	92
Recognized as profit or loss	1,173	(758)	415

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	PV for defined benefit obligation	Planned assets fair value	Net defined benefit liabilities
Remeasurements			
Gains on planned assets	$ -	($ 632)	($ 632)
Actuarial loss (profit)			
—Changes in financial assumptions	(519)	-	(519)
—Experience adjustment	609	-	609
Recognized as other comprehensive income	90	(632)	(542)
Allocated by employer	-	(992)	(992)
Payment of benefits	(8,053)	8,053	-
December 31, 2023	$ 68,776	($ 61,210)	$ 7,566

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

	2023	2022
Operating costs	$ 55	$ 84
Promotion expense	111	198
Management expense	249	401
	$ 415	$ 683

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, 2023	December 31, 2022
Discount rate	1.250%	1.125%
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, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 1,018)	($ 1,179)
0.25% decrease	$ 1,045	$ 1,212
Salary's expected increase rate		
0.25% increase	$ 1,014	$ 1,175
0.25% decrease	($ 993)	($ 1,149)

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, 2023	December 31, 2022
Amount expected to be allocated within 1 year	$ 936	$ 1,019
Defined benefit obligation's average maturity period	6.0years	6.3 years

XIX. Equity

(1) Share Capital

Common Stock

	December 31, 2023	December 31, 2022
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)	229,638	218,703
Issued share capital	$ 2,296,382	$ 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, 2023	December 31, 2022
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	2,130	1,107
	$ 123,145	$ 122,122

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 legal reserve after tax payments and the compensation for losses. The rest will be listed as or reversed to special reserve 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 21-3 "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.

Legal reserve should be allocated until its balance reaches the company's actual received total share capital. Legal reserve can be used to compensate losses. When the company has no loss, except for the part that the legal 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 29, 2023 and June 23, 2022, and respectively decided the approval of 2022 and 2021 earnings distribution proposal as follow:

	Earnings Distribution		Dividend per Share (NTD)	
	2022	2021	2022	2021
Pre-estimated legal reserve	$ 37,898	$ 45,357		
Shareholders' cash dividend	328,055	349,925	$ 1.50	$ 1.60
Shareholders' stock dividend	109,352	-	0.50	-

The board of directors of the Company proposed the earnings distribution for the year ended December 31, 2023 on March 13, 2024 as follows:

	Earnings Distribution	Dividend per Share (NTD)
Legal reserve	$ 36,867	
Cash dividend	321,494	$ 1.40

The earnings distribution for the year ended December 31, 2023 is expected to be resolved by the regular shareholders meeting on May 22, 2024.

(4) Special reserve

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

XX. Income

	2023	2022
Customer contract income		
Goods sales income	$10,780,969	$11,449,004
Other operating revenue	2,684	820
	$10,783,653	$11,449,824

(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. Other operating revenue

The Company's other operating revenue arises from services, including unloading and weighing, and warehousing, etc. The amounts of income are collected by fixed unit prices based on number of tons handled. Relevant income is recognized when rendering services.

(2) Contract balance

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable	$ 186,639	$ 222,984	$ 215,064
Notes receivable – related parties	5,159	4,650	2,904
Accounts receivable	546,316	676,106	580,344
Accounts receivable – related parties	483,974	535,611	501,830
	$ 1,222,088	$ 1,439,351	$ 1,300,142
Contractual liabilities (listed in other current liabilities)			
Selling of goods	$ 4	$ -	$ 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, 2023	December 31, 2022
Selling of products		
—Executed in 2024	$ 4	$ -

XXI. Net Profit

(1) Depreciation and Amortization

	2023	2022
Depreciation expenses summarized according to its functions		
Operating costs	$ 62,393	$ 44,237
Operating expenses	17,421	15,401
	$ 79,814	$ 59,638
Amortization expenses summarized according to its functions		
Operating costs	$ -	$ 7
Operating expenses	350	35
	$ 350	$ 42

(2) Employees' benefit expenses

	2023	2022
Post-employment benefits		
Defined contribution plans	$ 7,049	$ 6,631
Defined benefit plans (note 18)	415	683
	7,464	7,314
Salary expenses	179,202	173,778
Labor and health insurance expenses	16,942	15,933
Directors' remunerations	10,508	11,171
Other employee benefits	10,457	10,290
	$ 224,573	$ 218,486
Summarized according to its functions		
Operating costs	$ 68,868	$ 64,842
Operating expenses	155,705	153,644
	$ 224,573	$ 218,486

(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 2023 and 2022 were decided by the board of directors on March 13, 2024 and March 15, 2023 respectively as follow:

Estimated Percentage

	2023	2022
Employees' remunerations	2%	2%
Directors' remunerations	2%	2%

Amount

	2023	2022
	Cash	Cash
Employees' remunerations	$ 8,816	$ 9,429
Directors' remunerations	8,816	9,429

If there are still changes in the amount after the annual parent company only 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 2022 and 2021 and the parent company only financial statements' recognized amount for 2022 and 2021.

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

	2023	2022
Disposal of gains on property, plant and equipment	$ 219	$ 698

The disposal of gains on property, plant and equipment in 2023 is realized deferred income recognized for NTD 219 thousand. The disposal of gains on property, plant and equipment in 2022 is the sum of the current year's disposal of profit NTD 479 thousand and realized deferred income recognized for NTD 219 thousand.

(5) Currency Exchange Profit (Loss)

	2023	2022
Total currency exchange profit	$ 32,087	$ 53,232
Total currency exchange loss	(6,972)	(11,472)
Net profit	$ 25,115	$ 41,760

(6) Interest Expense

	2023	2022
Bank loan interest	$ 44,017	$ 29,617
Lease liability interest	1,660	1,587
	$ 45,677	$ 31,204

Related information on interest capitalization is as follow:

	2023	2022
Interest capitalization amount	$ -	$ 3,597
Interest capitalization rate		1.19%～1.21%

XXII. Income Tax

(1) Income tax recognized as profit or loss

The main items of the income tax is as follow:

	2023	2022
Current income tax		
Generated in the current year	$ 58,885	$ 84,969
Adjustments made in the previous years	(3,929)	340
Deferred income tax		
Generated in the current year	334	(1,720)
Income tax expense recognized as profit or loss	$ 55,290	$ 83,589

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

	2023	2022
Net profit before tax	$ 423,169	$ 452,583
Income tax expense calculated based on statutory tax rate for net profit before tax	$ 84,634	$ 90,516
Tax-free income	(25,415)	(7,313)
Non-deductible impairment loss in taxes	-	46
Current income tax expenses in the previous years adjusted in the current year	(3,929)	340
Income tax expense recognized as profit or loss	$ 55,290	$ 83,589

(2) Current income tax liabilities

	December 31, 2023	December 31, 2022
Current income tax liabilities		
Income tax payable	$ 16,089	$ 43,178

(3) Deferred income tax assets and liabilities

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

2023

	BOY balance	Recognized as profit/loss	Year-end balance
Deferred income tax assets			
Temporary difference			
Loss on investment accounted for using equity method	$ 9,991	$ 548	$ 10,539
Pension expense overrun	1,917	(116)	1,801
Loss on inventory price decline	1,546	(670)	876
Deferred income	365	(43)	322
Other	261	(53)	208
	$ 14,080	($ 334)	$ 13,746
Deferred income tax liabilities			
Temporary difference			
Land value increment tax	$ 95,560	$ -	$ 95,560

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

(4) Income tax verification status

Regarding the Company's business income tax declaration, the declared cases as of before 2021 were authorized by tax collecting institutions.

XXIII. Earnings per Share (EPS)

When calculating earnings per share, the effect of stock dividend distribution has been adjusted retrospectively. The base date of the stock dividend distribution is on September 3, 2023. Due to the retrospective adjustment, the basic and diluted earnings per share have changed as follows:

Unit: NTD per share

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 1.69	$1.61
Diluted earnings per share	$ 1.69	$1.61

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

Net profit

	2023	2022
Net profit used for the calculation of basic and diluted EPS	$ 367,879	$ 368,994

Number of Shares

Unit: 1000 shares

	2023	2022
Number of shares of common share's weighted average used for the calculation of basic EPS	229,638	229,638
Impacts of potential common share with dilutive effect:		
Employees' remuneration	194	207
Number of shares of common share's weighted average used for the calculation of diluted EPS	229,832	229,845

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.

XXIV. Cash Flow Information

(1) Partial cash transaction

The partial cash transactional investments that the Company conducted in 2023 and 2022 are as follow:

	2023	2022
Partial cash paid to purchase property, plant and equipment		
Purchase of property, plant, and equipment	$ 28,367	$ 138,420
Net change in prepayment of equipment	3,014	128
Net change in equipment payable	3,864	9,577
Cash paid	$ 35,245	$ 148,125

(2) Changes in liabilities owing to financing activities

2023

			Non-cash changes			
	BOY balance	Cash flow	New lease liabilities	Reduced lease liabilities	Amortized interest expense	Year-end balance
Short-term loans	$ 1,681,662	($ 233,559)	$ -	$ -	$ -	$ 1,448,103
Long-term loans and long-term loans due within one year	1,080,000	(100,000)	-	-	-	980,000
Margin deposit	1,850	227	-	-	-	2,077
Lease liability	151,643	(6,377)	1,267	-	-	146,533
	$ 2,915,155	($ 339,709)	$ 1,267	$ -	$ -	$ 2,576,713

2022

			Non-cash changes			
	BOY balance	Cash flow	New lease liabilities	Reduced lease liabilities	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

XXV. 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.

XXVI. 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, 2023	December 31, 2022
Financial assets		
Measured at amortized cost (note 1)	$ 1,862,754	$ 2,110,309
Financial liabilities		
Measured at amortized cost (note 2)	2,783,930	3,201,650

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

Note 2: the balance is financial liabilities that include short-term loans, notes payable, accounts payable, accounts payable – related parties, partial other payables, long-term loans (including parts due within one year), and guaranteed deposits received, 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 30.

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	
	2023	2022
Increase in net profit before tax	$ 1,019	$ 13,479

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

(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, 2023	December 31, 2022
Interest rate risk with fair value		
─ Financial assets	$ 40,663	$ 29,600
─ Financial liabilities	1,543,283	1,540,531
Interest rate risk with cash flow		
─ Financial assets	579,407	615,025
─ Financial liabilities	1,031,353	1,372,774

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 2023 decreased/increased by NTD 1,130 thousand. This is mainly caused by risk exposures to variable interest rate bank demand deposits and loans.

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 decreased/increased by NTD 1,894 thousand. This is mainly caused by risk exposures to variable interest rate bank demand deposits and loans.

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 parent company only balance sheets.

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, except for CENTRAL UNION OIL CORP., which is the associate of the Company.

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, 2023 and 2022, the Company's undrawn bank financing limit was respectively NTD 3,532,153 thousands and NTD 3,226,620 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, 2023

	On demand or less than 1 month	1-3 months	3 months-1 year	1-5 years	More than 5 years
Liabilities without interest	$ 89,301	$ 147,103	$ 117,346	$ -	$ -
Lease liability	742	2,226	7,571	25,618	143,888
Floating interest rate instrument	1,717	7,378	217,635	830,677	-
Fixed interest rate instrument	740,207	259,398	402,615	-	-
	$ 831,967	$ 416,105	$ 745,167	$ 856,295	$ 143,888

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	$ 10,539	$ 25,618	$ 18,495	$ 18,495	$ 18,495	$ 88,403

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

XXVII. 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
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, 2023	December 31, 2022
Sales income	Affiliated enterprises		
	Central Union Oil Corp.	$ 2,609,750	$ 2,599,087
	Subsidiary companies	897,960	944,237
	Other related parties	128,452	142,585
		$ 3,636,162	$ 3,685,909
Other operating revenue	Affiliated enterprises	$ 51	$ 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. The transaction conditions for other related parties were conducted on normal commercial terms.

Other operating revenue arises from the Company providing unloading and weighing services for affiliated enterprises, with fees charged based on a fixed unit price per processed ton.

(3) Purchases

Classification/Name of Related Parties	2023	2022
Subsidiary companies	$ 359,754	$ 335,179
Affiliated enterprises		
Central Union Oil Corp.	267,561	158,749
	$ 627,315	$ 493,928

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

(4) Processing expense

Classification/Name of Related Parties	2023	2022
Affiliated enterprises		
Central Union Oil Corp.	$ 235,232	$ 235,453

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	2023	2022
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, 2023	December 31, 2022
Subsidiary company		
Chong Hsiang International	$ 102	$ 138
Other related parties		
Cheng Xin Investment	72	108
	$ 174	$ 246

(6) Other Income

Classification/Name of Related Parties	2023	2022
Subsidiary company		
Top Food	$ 6,079	$ 7,311
Chong Hsiang International	13	248
	$ 6,092	$ 7,559

(7) Accounts Receivable from Related Parties

Items	Classification/Name of Related Parties	December 31, 2023	December 31, 2022
Accounts receivable – related parties	Affiliated enterprise		
	CENTRAL UNION OIL CORP.	$ 316,562	$ 343,114
	Subsidiary Company		
	CHONG HSIANG INTERNATIONAL	148,886	175,291
	Other	3,552	2,402
	Other related parties	14,974	14,804
		$ 483,974	$ 535,611
Notes receivable – related parties	Subsidiary company	$ 5,159	$ 4,650
Other receivables – related parties	Affiliated enterprise		
	CENTRAL UNION OIL CORP.	$ -	$ 40
	Subsidiary company	348	666
		$ 348	$ 706

The Company did not receive pledge from related parties for outstanding accounts receivable. The accounts receivable from related parties for 2023 and 2022 were not listed as allowance loss.

(8) Accounts payable from related parties

Items	Classification/Name of Related Parties	December 31, 2023	December 31, 2022
Accounts payable – related parties	Subsidiary company		
	Top Food	$ 58,100	$ 75,088
	Affiliated enterprises		
	Central Union Oil Corp.	51,045	7,256
		$ 109,145	$ 82,344

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, 2023	December 31, 2022
Subsidiary company		
Top Food		
Guarantee amount	$ 3,072,000	$ 3,280,000
Actual amount spent	$ 1,061,425	$ 1,946,887

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

(10) Other

Items	Classification of Related Parties	2023	2022
Entertainment expense	Affiliated enterprise	$ 2	$ -
	Subsidiary company	5	3
		$ 7	$ 3
Other expense	Affiliated enterprise	$ 1,652	$ 1,274
	Subsidiary company	310	-
		$ 1,962	$ 1,274

(11) Remunerations for Main Management Level

The total remunerations for directors and other main management levels for 2023 and 2022 are as follow:

	2023	2022
Short-term employees benefit	$ 10,290	$ 7,052
Post-employment benefit	284	243
	$ 10,574	$ 7,295

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

XXVIII. Pledged Asset

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

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 690,427	$ 693,756

XXIX. 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, 2023 and 2022, the amount of the Company's issuance of unused letters of credit due to the purchasing of raw materials was respectively NTD 861,886 thousands and NTD 999,052 thousands.

2. Unrecognized contractual commitments are as follow:

	December 31, 2023	December 31, 2022
Purchase of property, plant, and equipment	$ 61,776	$ 68,785

(2) Contingencies

The Company purchased 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 related litigations due to adulterating. 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 have been jointly compensated with NTD 38,307 thousand and delay interests. This case was appealed by Chang Chi Foodstuff, and was sent back by the Supreme Court for retrial. The Intellectual Property Court changed the verdict resulting in the Company losing the case in the first retrial in 2017. The case was appealed by the Company, and was sent back by the Supreme Court for retrial. The Intellectual Property Court adjudged that Chang Chi Foodstuff shall compensate the Company NTD 30,000 thousand and delay interests in the second retrial. This case was appealed by Chang Chi Foodstuff, and the original judge was revoked and sent back by the Supreme Court for retrial. The Intellectual Property Court adjudged that the Company lost the case in the third retrial. This case was appealed by the Company, and the original judge was revoked and sent back by the Supreme Court to the Intellectual Property and Commercial Court. As of the date the board of directors approved this parent company only financial report, the lawsuit mentioned above was still under review by the court.

XXX. 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, 2023

Unit: Foreign Currency thousands, NTD thousands

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
US dollars	$ 1,004	30.705 (USD:NTD)	$ 30,828
Non-monetary items			
Subsidiary companies that adopt equity method			
US dollars	4,687	30.705 (USD:NTD)	143,921
Foreign currency liability			
Monetary items			
US dollars	1,668	30.705 (USD:NTD)	51,216

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
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
Foreign currency liability			
Monetary items			
US dollars	9,518	30.71 (USD:NTD)	292,298

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

	2023		2022	
Foreign Currency	Exchange Rate	Unrealized Net Exchange Profit (Loss)	Exchange Rate	Unrealized Net Exchange Profit (Loss)
US dollars	30.705 (USD:NTD)	$ 3	30.71 (USD:NTD)	($ 26,597)

XXXI. 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, 2023

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 (note 4)	Final Endorsement and Guarantee Balance (note 4)	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)	$ 3,512,131	$ 3,280,000	$ 3,072,000	$ 1,061,425	$ -	87	$ 4,214,557	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.

Note 4: maximum endorsement and guarantee balance for the current period and final endorsement and guarantee balance are amounts approved by the board of directors.

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, 2023

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	$ 2,609,750	24	45-60 days	Deduct of sales expense that should be borne by Central Union Oil Corp. according to market price	—	$ 316,562	26	
			Purchases and processing expenses	502,793	5	45～60 days	—	—	(51,045)	15	
Formosa Oilseed Processing Co., Ltd.	Top Food	Subsidiary company	Purchases	359,754	4	30-60 days	—	—	(58,100)	18	
Top Food	Formosa Oilseed Processing Co., Ltd.	Parent company	Sales	359,754	9	30-60 days	—	—	58,100	9	
Formosa Oilseed Processing Co., Ltd.	Chong Hsiang International	Subsidiary company	Sales	871,018	8	45-60 days	—	—	148,886	12	
Chong Hsiang International	Formosa Oilseed Processing Co., Ltd.	Parent company	Purchases	871,018	100	45-60 days	—	—	(148,886)	100	
Formosa Oilseed Processing Co., Ltd	Morn Sun Feed Ltd.	Other related parties	Sales	128,452	1	30-45 days	—	—	14,974	1	

Formosa Oilseed Processing Co., Ltd.

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

December 31, 2023

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	$ 316,562	8 (times)	$ -	-	$ 316,562	$ -
Formosa Oilseed Processing	Chong Hsiang International	Subsidiary company	148,886	5 (times)	-	-	148,886	-

Formosa Oilseed Processing Co., Ltd.

Name, Location, and other Related Information about Invested Company

January 1 to December 31, 2023

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	$ 683,134	$ 103,427	$ 65,267 (note 2)	Subsidiary company
	FORMOSA OIL PROCESSING (PANAMA) S. A.	PANAMA CITY, REPUBLIC OF PANAMA	General investment business	242,398	242,398	7	100	143,921	(2,740)	(2,740)	Subsidiary company
	FU YOU AN KANG	CHANG HUA COUNTY	Poultry breeding and wholesaling of agricultural products	25,908	25,908	2,591	51	22,105	6,567	3,349	Subsidiary company
	CHONG HSIANG INTERNATIONAL	TAICHUNG CITY	Wholesale trading of oil products	50,000	50,000	5,000	100	43,220	4,909	4,909	Subsidiary company
	CENTRAL UNION OIL	TAICHUNG CITY	Businesses regarding exclusive selection and rendering of soy beans	203,316	203,316	20,000	33	316,021	160,645	53,548	Affiliated enterprise

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

Note 2: recognized investment gains of NTD 65,322 thousand and deducted the unrealized benefits of countercurrent transactions of NTD 55 thousand.

Formosa Oilseed Processing Co., Ltd.

Investment Information in China

January 1 to December 31, 2023

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)	$ 259,361	$ -	$ -	$ 259,361	($ 2,759)	100%	($ 2,759)	$ 139,770	$ 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	$ 2,359,772

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 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 thousand (NTD 158,449 thousand) and USD 17,975 thousand (NTD 571,099 thousand) in Mainland China. In addition, on April 21, 2021, the Investment Committee approved the deduction of USD11,349 thousand (NTD 317,767 thousand) 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 thousand (NTD 152,420 thousand) 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, 2023

Schedule 6

Name of Major Shareholders	Shares	
	Number of Shares Held	Shareholding Percentage
Shin Tai Industry Co., Ltd.	26,070,385	11.35%
Qun Sheng Fa Co., Ltd.	22,379,700	9.74%
Cheng Xin Investment Co., Ltd.	21,885,841	9.53%
An Da Investment Co., Ltd.	21,747,803	9.47%
Guan, Yao Zhan	17,959,081	7.82%
Shin Fong Trading Co., Ltd.	16,923,301	7.36%

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 parent company only 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, 2023

Table 1 Unit: NTD thousands

Item	Balance
Cash on hand and petty cash	$ 132
Bank deposit	
Check deposit	40,663
Demand deposit (note)	579,407
	$ 620,202

Note: this includes USD 167 thousands; the exchange rate is USD 1 = NTD 30.705.

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Receivable

December 31, 2023

Table 2 Unit: NTD thousands

Name of Customer	Balance
Yan Shang Enterprise Co., Ltd.	$ 20,307
Vedan Enterprise Corp.	18,640
Huang, Qi-Cheng	11,371
Qiu, Shi-Chong	6,213
Kinda Commodities Company	4,985
Other (note)	125,123
Total	$ 186,639

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, 2023

Table 3 Unit: NTD thousands

Name of Customers	Balance
Wei Lih Food Industrial Co., Ltd.	$ 26,775
Lian Hwa Foods Corporation	26,317
You Mu Co., Ltd.	20,090
Presicarre Corporation	16,178
Hwa Yuan Foods Co.,Ltd	15,289
Other (note)	443,418
	548,067
Subtract: loss allowance	1,751
Net value	$ 546,316

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, 2023

Table 4 Unit: NTD thousands

Item	Balance	
	Costs	Market Price (note)
In-transit inventory	$ 920,472	$ 955,637
Raw materials	170,477	174,213
Finished goods	135,681	142,690
Work in progress	29,157	29,208
Materials	5,186	5,186
Total	$ 1,260,973	$ 1,306,934

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	$ 617,648	-	$ -	-	$ -	$ 65,267	$ -	$ -	$ 219	51,963	63	$ 683,134	$ 684,805	Notes 2 & 3
FORMOSA OIL PROCESSING (PANAMA) S.A.	7	149,046	-	-	-	-	(2,740)	(2,385)	-	-	7	100	143,921	143,921	Note 2
FU YOU AN KANG CORP.	2,591	18,787	-	-	-	-	3,349	-	-	(31)	2,591	51	22,105	22,226	Note 2
ZHONG XIANG INTERNATIONAL CORP.	5,000	38,311	-	-	-	-	4,909	-	-	-	5,000	100	43,220	43,220	Note 2
CENTRAL UNION OIL CORP.	20,000	305,839	-	-	-	(44,000)	53,548	-	252	382	20,000	33	316,021	316,524	Notes 1 & 2
		$ 1,129,631		$ -		($ 44,000)	$ 124,333	($ 2,385)	$ 252	$ 570			$ 1,208,401	$ 1,210,696	

Note 1: The decrease in current year is due to the allocation of Central Union Oil's cash dividend.
Note 2: It is calculated based on the invested company's audited financial statements and the Company's shareholding ratio.
Note 3: The realized profit is the deferred revenue of disposal of property, plant and equipment.

Formosa Oilseed Processing Co., Ltd.

Schedule for Changes in ROU Assets

2023

Table 6 Unit: NTD thousands

	Land	Buildings	Transport equipment	Total
Cost				
January 1, 2023 balance	$141,810	$ 2,853	$ 21,804	$166,467
Current year addition	-	-	1,267	1,267
Current year disposal	-	-	(889)	(889)
December 31, 2023 balance	141,810	2,853	22,182	166,845
Accumulated depreciation				
January 1, 2023 balance	(12,005)	(1,825)	(3,820)	(17,650)
Depreciation expense	(2,891)	(457)	(4,540)	(7,888)
Current year disposal	-	-	889	889
December 31, 2023 balance	(14,896)	(2,282)	(7,471)	(24,649)
December 31, 2023 net amount	$126,914	$ 571	$ 14,711	$142,196

Formosa Oilseed Processing Co., Ltd.

Schedule for Short-Term Loans

December 31, 2023

Table 7

Type(s) of loan and creditors	Loan period	Year interest (%)	Balance	Amount financed	Pledge or collateral
Credit Loans					
Cathay United Bank, Taichung Branch	Oct.2023-Feb.2024	1.75	$ 242,750	$ 255,000	None
Hua Nan Commercial Bank, Ltd., Chuxu Branch	Dec.2023-Jan.2024	1.78	231,000	500,000	None
Agricultural Bank of Taiwan Corporation, Taichung Branch	Oct.2023-Oct.2024	1.71	200,000	300,000	None
Bank SinoPac, Fengyuan Branch	Dec.2023-Jan.2024	1.88	150,000	600,000	None
Taishin International Bank, Chienbei Branch	Dec.2023- Feb.2024	1.78	120,000	300,000	None
Taiwan Cooperative Bank, Sinjhong Branch	Oct.2023-Jun.2024	1.75	81,000	300,000	None
Chang Hwa Bank Head Office	Dec.2023-Mar.2024	1.81	78,000	350,000	None
Taiwan Cooperative Bank, Songjiang Branch	Jul.2023-Jan.2024	1.75	46,000	500,000	None
Taiwan Cooperative Bank, Songjiang Branch	Dec.2023- Dec.2024	1.75	30,000	500,000	None
Taiwan Business Bank, Shalu Branch	Aug.2023- Jun.2024	1.88	60,000	100,000	None
Shin Kong Commercial Bank, Zhonggang Branch	Oct.2023-Jan.2024	1.76	60,000	100,000	None
E.SUN Bank, Chengdong Branch	Dec.2023-Jan.2024	1.82	56,000	200,000	None
Bank of Taiwan, Taichung Harbor Branch	Dec.2023-Mar.2024	1.78	42,000	90,000	None
			1,396,750	4,095,000	
Letter of Credit Loans					
Chang Hwa Bank Head Office	Dec.2023-Feb.2024	6.44	4,396	350,000	None
Shanghai Commercial and Savings Bank, Chung Li Branch	Dec.2023-Jun.2024	6.49	16,578	150,000	None
Agricultural Bank of Taiwan Corporation, Taichung Branch	Dec.2023-Jun.2024	6.29	30,379	300,000	None
			51,353	800,000	
			$ 1,448,103	$ 4,895,000	

Formosa Oilseed Processing Co., Ltd.

Schedule for Notes Payable

December 31, 2023

Table 8 Unit: NTD thousands

Name of Suppliers	Balance
Guangan Transportation Co., Ltd.	$ 711
Chang, Wei-Jun	655
Dingyou Transportation Co., Ltd.	550
Qingyi Motor Freight Co., Ltd.	465
Rijian Express Co., Ltd.	319
Da Xin Freight Co., Ltd.	264
Yung Shuen Agricultural Co., Ltd.	248
Liantong Motor Freight Co., Ltd.	236
Other (note)	1,186
	$ 4,634

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, 2023

Table 9 Unit: NTD thousands

Name of Suppliers	Balance
Taisun Enterprise Co., Ltd.	$ 22,888
Fure Shing Can Printing Mfg. Co.	14,697
Fwusow Industry Co., Ltd.	11,145
Chia Fha Enterprise Co., Ltd.	7,167
Yan Shang Enterprise Co., Ltd.	6,850
Other (note)	125,573
	$ 188,320

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, 2023

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 October 2022; every 6 months is 1 installment. The loan will be evenly amortized in 10 installments.	1.80	$ 160,000	$ 400,000	$ 560,000	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.	1.82	-	150,000	150,000	Property, plant and equipment
Taiwan Cooperative Bank	Jun. 2022 – Mar. 2025	The settlement of the amount employed this time reached the 24th month since March 2021. According to the contract, the amount can be drawn down within the credit lines before maturity. The contract was extended in February 2023 and the settlement of the amount employed this time reached the 24th month since March 2023, the draw date of the loan principal.	1.78	-	270,000	270,000	None
Total				$ 160,000	$ 820,000	$ 980,000	

Formosa Oilseed Processing Co., Ltd.

Schedule for Lease Liabilities

December 31, 2023

Table 11 Unit: NTD thousands

Title	Lease Period	Discount Rate	Year-End Balance	Note
Land	11/01/2017-09/30/2068	1.08%～1.38%	$129,268	None
Buildings	04/01/2016-03/31/2025	1.38%	591	None
Transport equipment	01/01/2019-05/31/2028	1.08%～1.82%	16,674	None
Subtract: those listed under current			(8,965)	
Lease liabilities – non-current			$137,568	

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Income

2023

Table 12 Unit: NTD thousands

Item	Quantity (t)	Amount
Sales income		
Soybean oil, soy flour	249,728	$ 6,578,355
Feeds	70,747	1,136,799
Corn, oatmeal	244,980	3,075,438
Subtotal		10,790,592
Subtract: sales returns and sales discount		9,623
Net value		10,780,969
Service revenue		
Unloading and weighing service		2,684
Subtotal		2,684
Total operating income		$10,783,653

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Costs

2023

Table 13 Unit: NTD thousands

Item	Amount
Direct raw material	
BOY raw material and in-transit inventory	$ 1,126,517
Plus (subtract):	
Current year incoming material	8,549,111
Selling of raw material	(2,747,196)
Year-end raw material and in-transit inventory	(1,096,135)
Direct raw material consumption	5,832,297
Direct labor	35,102
Manufacturing expense	412,461
Manufacturing costs	6,279,860
Plus (subtract):	
BOY work in progress	73,868
Purchased work in progress	206,934
Selling of work in progress	(399,702)
Year-end work in progress	(29,157)
Finished goods costs	6,131,803
Plus (subtract):	
BOY finished goods and products	172,862
Purchased finished goods and products	771,238
Rendering fee	(979)
Year-end finished goods and products	(135,681)
Production and marketing costs	6,939,243
Costs for selling of raw material	2,747,196
Costs for selling of work in progress	399,702
Service costs	794
Customs tax refund income	(606)
Operating costs	$10,086,329

Formosa Oilseed Processing Co., Ltd.

Schedule for Operating Expenses

2023

Table 14 Unit: NTD thousands

	Promotion expense	Management expense	Research and development expense	Expected loss of credit impairment	Total
Salary	$ 48,359	$ 67,353	$ 5,704	$ -	$121,416
Freight	88,187	36	36	-	88,259
export expenses	45,316	-	-	-	45,316
Depreciation	6,891	7,359	3,171	-	17,421
Directors' remuneration	-	10,508	-	-	10,508
Expected loss of credit impairment	-	-	-	1,220	1,220
Other (note)	57,528	41,674	8,193	-	107,395
	$246,281	$126,930	$ 17,104	$ 1,220	$391,535

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
2023 and 2022

Table 15 Unit: NTD thousands

	2023			2022		
	Belonging to operating costs	Belonging to operating expenses	Total	Belonging to operating costs	Belonging to operating expenses	Total
Employee benefits expense						
Salary expense	$ 57,786	$ 121,416	$ 179,202	$ 54,726	$ 119,052	$ 173,778
Labor and health insurance expenses	6,365	10,577	16,942	5,501	10,432	15,933
Directors' remuneration	-	10,508	10,508	-	11,171	11,171
Pension expense	2,599	4,865	7,464	2,464	4,850	7,314
Other employee benefits expense	2,118	8,339	10,457	2,151	8,139	10,290
Depreciation expense	62,393	17,421	79,814	44,237	15,401	59,638
Amortized expense	-	350	350	7	35	42

Note 1: The Company's number of employees for 2023 and 2022 are respectively 250 and 240, 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 881 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 890 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 737 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 746 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 1% ("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.