FWUSOW INDUSTRY CO., LTD.

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

FWUSOW INDUSTRY CO., LTD.

Index to Financial Statements

INDEPENDENT AUDITORS' REPORT

Translated from Chinese

The Board of Directors and Shareholders
FWUSOW INDUSTRY CO., LTD.

Opinion

We have audited the accompanying parent company only financial statements of FWUSOW INDUSTRY CO., LTD. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion and other auditors' reports set forth in Major Accounting Items, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 are independent of the Company, fulfilling our other 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 are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company’s parent company only financial statements for the year ended December 31 2023 are stated as follows:

Inventory evaluation

The value of inventory is affected by market supply and demand. In addition, the allocation of inventory cost elements and the estimated amount of net realizable value are subject to the subjective judgment of the management. Therefore, the accountants pay special attention to the cost and net realizable value and the appropriateness of the loss of devaluation of inventories by management in accordance with the requirements of International Accounting Standards (IAS2).and the reasonableness of the management to appropriate allowance for inventory demmvaluation losses.

The principal audit procedure performed by the accountant is to obtain inventory entry data and perform detailed tests to verify that the raw material cost, labor input and manufacturing costs of the inventory have been reasonably allocated to the appropriate inventory items. The accountants compare the actual sales price of the inventory at the end of the period with its book value in a sampling manner to verify whether the inventory has been evaluated at the lower of cost or net realizable value. The accountants also compare the inventory quantity data obtained from annual inventory check with accounting record to test the existence and completeness of inventory in the end of year; By participating in and observing the annual perpetual inventory, accountants assess the appropriateness of allowance for inventory devaluation losses .

Other major accounting issue

The financial statements in year 2023 and 2022 of some investee companies accounted for using the equity method, were not audited by us but other accountants; therefore, the accountants' opinions in the Company's financial statements and the relevant information disclosed in Note 13 are based on the audit reports of other accountants. The Company's equity investment in the above-mentioned investee companies as of December 31, 2023 and 2022, were NT$312,602 thousand and NT$500,679 thousand respectively, accounting for 3.46% and 5.45% of the total assets,. The comprehensive benefits recognized by the equity method in 2023 and 2022 were NT$52,152 thousand and NT$49,023 thousand, respectively, accounting for 16.80% and 15.03% of the total comprehensive benefits.

Responsibilities of management and governance units for Parent Company Only financial statements

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

When preparing parent company only financial statements, the management's responsibilities also include assessing the company's ability to continue as going concern, disclosure of related matters, and the adoption of the accounting basis as a going concern, unless the management either intends to liquidate the Company or to cease operations, or in addition to liquidation or there is no other practical and feasible plan but to do so.

The governing unit (including the audit committee) of the Company is responsible for supervising the financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinions.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Sung-Yu Liu and Zi-Yu Chen

SOLOMON & CO., CPAs.
Taichung, Taiwan
Republic of China
March 12, 2024

Notice to Readers

The accompanying standalone financial statements are intended only to present the standalone financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such standalone financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying standalone 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 standalone financial statements shall prevail.*

FWUSOW INDUSTRY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31			
		2023		2022	
	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents(Note 6(1))	$ 630,283	7.0	$ 806,371	8.8
1110	Current financial asset at fair value through profit or loss (Note 6(2))	4,349	0.0	5,173	0.1
1150	Notes receivable, net(Note 6(3))	434,122	4.8	460,688	5.0
1160	Notes receivable due from related parties, net(Note 7(4))	253,995	2.8	261,273	2.8
1170	Accounts receivable, net(Note 6(4))	784,644	8.7	867,904	9.4
1180	Accounts receivable due from related parties, net(Note 7(4))	473,672	5.2	514,817	5.6
1200	Other receivables(Note 7(4))	54,685	0.6	28,832	0.3
1220	Current tax assets		—	25	—
1310	Inventories, net(Note 6(5))	2,496,845	27.6	2,436,531	26.5
1400	Current biological assets	18,867	0.2	13,644	0.2
1410	Prepayments	27,807	0.3	34,081	0.4
1470	Other current assets(Notes 6(1)、8)	1,625	—	1,445	—
	Total current Assets	5,180,894	57.2	5,430,784	59.1
	Non-current assets				
1550	Investments accounted for under equity method(Note 6(6))	918,634	10.2	878,660	9.6
1600	Property, plant and equipment(Note6(7)、8)	2,783,737	30.8	2,730,805	29.7
1755	Right-of-use asset(Note6(8))	50,755	0.6	60,650	0.7
1780	Intangible assets	59,708	0.7	32,298	0.4
1830	Non-current biological assets	2,958	—	4,426	—
1840	Deferred tax assets(Note6(13))	34,804	0.4	33,630	0.4
1920	Guarantee deposits paid	11,325	0.1	12,546	0.1
1990	Other non-current assets (Note6(4))		—	1,274	—
	Total non-current assets	3,861,921	42.8	3,754,289	40.9
	Total assets	$ 9,042,815	100.0	$ 9,185,073	100.0

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

(With Solomon & Co., audit report dated March 12, 2024)

Chairman：Hung, Yao-Kuen　　General Manager：Zhao Wenqiang　　Accounting Manager：Dai Zhenhui

FWUSOW INDUSTRY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

		Year ended December 31			
		2023		***2022***	
	Liabilities and Equity	***Amount***	***%***	***Amount***	***%***
	Current liabilities				
2100	Short-term loans(Note 6(9))	$ 1,748,847	19.3	$ 2,005,096	21.7
2110	Short-term notes and bills payable6(10)	50,000	0.6	—	—
2120	Current financial liabilities at fair value through profit or loss(Note 6(2))	785	—	2,490	—
2130	Current Contract liabilities(Note6(17))	6,607	0.1	7,062	0.1
2150	Notes payable(Note7(4))	11,506	0.1	249,213	2.7
2170	Accounts payable(Note7(4))	397,762	4.4	184,667	2.0
2200	Other payables(Note7(4))	276,221	3.1	261,910	2.9
2230	Current tax liabilities	16,823	0.2	50,928	0.6
2280	Current lease liabilities(Note6(8))	22,106	0.2	24,024	0.3
2322	Current portion of long-term loans(Note6(11))	477,083	5.2	503,333	5.5
2399	Other current liabilities	5,709	0.1	4,605	0.1
	Total current Liabilities	3,013,449	33.3	3,293,328	35.9
	Non-current liabilities				
2540	Long-term loans(Note 6(11))	839,583	9.3	816,667	8.9
2571	Deferred tax liabilities - land value increment tax	416,032	4.6	416,032	4.5
2580	Non current lease liabilities(Note 6(8))	29,517	0.3	37,270	0.4
2640	Net defined benefit liability-non current(Note 6(12))	441	—	561	—
2645	Guarantee deposits received	1,562	—	1,656	—
2650	Investments accounted loss for using equity method(Note6(6))	207,437	2.3	234,367	2.6
	Total non-current liabilities	1,494,572	16.5	1,506,553	16.4
	Total liabilities	4,508,021	49.8	4,799,881	52.3
	Equity attributable to owners of parent (Note 6(14))				
3110	Share capital	3,316,634	36.7	3,220,139	35.1
3200	Capital surplus	15,030	0.2	15,030	0.2
3300	Retained earnings	1,216,989	13.5	1,161,612	12.6
3400	Other equity interest	(7,124)	(0.1)	(4,854)	(0.1)
3500	Treasury shares(Note 6(15))	(6,735)	(0.1)	(6,735)	(0.1)
	Total equity	4,534,794	50.2	4,385,192	47.7
	Total liabilities and equity	$ 9,042,815	100.0	$ 9,185,073	100.0

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

(With Solomon & Co., audit report dated March 12, 2024)

Chairman：Hung, Yao-Kuen General Manager：Zhao Wenqiang Accounting Manager：Dai Zhenhui

FWUSOW INDUSTRY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

		2023		2022	
		Amount	***%***	***Amount***	***%***
4100	Net operating revenue (Note 6(17))	$ 14,933,039	100.0	$ 15,964,576	100.0
5000	Operating costs (Note6(5))	(13,761,480)	(92.1)	(14,694,829)	(92.1)
5910	Unrealized profit (loss) from sales	(24,050)	(0.2)	(3,200)	—
5920	Realized profit (loss) from sales	3,200			
5860	Gains(Losses) on changes in fair value less costs to sell of biological assets for current period	4,021	—	(1,430)	—
	Gross Profit	1,154,730	7.7	1,265,117	7.9
6000	Operating Expenses				
6100	Selling expenses	(605,805)	(4.1)	(622,553)	(3.9)
6200	Administrative expenses	(251,293)	(1.7)	(227,504)	(1.4)
6300	Research and development expenses	(47,716)	(0.3)	(56,555)	(0.4)
6450	Overdue credit(impairment loss)gain on reversal (Note 6(4))	(3,800)	—	(3,100)	—
		(908,614)	(6.1)	(909,712)	(5.7)
	Net operating profit	246,116	1.6	355,405	2.2
7000	Non-operating income and expenses				
7100	Interest income	3,578	—	1,321	—
7010	Other income (Note 6(18))	34,736	0.2	31,051	0.2
7020	Other gains and losses (Note6(19))	9,021	0.1	22,687	0.1
7050	Financial costs (Note6(20))	(58,784)	(0.4)	(38,867)	(0.2)
7070	Share of Profit or Loss of Associates & Joint Ventures Accounted for Using Equity Method (Note6(6))	131,648	1.0	21,087	0.2
		120,199	0.9	37,279	0.3
7900	Profit before income tax	366,315	2.5	392,684	2.5
7950	Income tax expense (Note6(13))	(53,745)	(0.5)	(70,754)	(0.5)
	Profit	312,570	2.0	321,930	2.0
8300	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	(146)	—	2,278	—
8321	Other comprehensive income, before tax,actuarial gain (losses) on defined benefit plans for Using Equity Method	244	—	495	—
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	29	—	(456)	—
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation	(2,837)	—	2,388	—
8399	Income tax benefit related to items that will not be reclassified subsequently	567	—	(477)	—
	Other comprehensive income(net income after tax)	(2,143)	—	4,228	—
8500	Total comprehensive income	$ 310,427	2.0	$ 326,158	2.0
	Earnings per share				
9750	Basic earnings per share(dollar) (Note6(16))	$	0.94	$	0.97

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

(With Solomon & Co., audit report dated March 12, 2024)

Chairman：Hung, Yau-Kuen　General Manager：Zhao Wenqiang　Accounting Manager：Dai Zhenhui

FWUSOW INDUSTRY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

(Expressed in thousands of New Taiwan dollars)

			Retained Earnings				*Other equity interest*		
	Shares	***Capital Surplus***	***Legal reserve***	***Special Reserve***	***Earnings (Accumulated***	***Total***	***Foreign Currency Translation Reserve***	***Treasury Shares***	***Total Equity***
Balance at January 1, 2022	$ 3,220,139	$ 14,358	$ 328,602	$ 233,273	$ 629,305	$ 1,191,180	$ (6,765)	$ (6,735)	$ 4,412,177
Appropriation of earnings:									
Legal reserve	—	—	32,160	—	(32,160)	—	—	—	—
Cash dividends to shareholders	—	—	—	—	(353,815)	(353,815)	—	—	(353,815)
From share of changes in equities of subsidiaries	—	672	—	—	—	—	—	—	672
Profit for the 2021	—	—	—	—	321,930	321,930	—	—	321,930
Other comprehensive loss for the 2021	—	—	—	—	2,317	2,317	1,911	—	4,228
Balance at December 31, 2022	3,220,139	15,030	360,762	233,273	567,577	1,161,612	(4,854)	(6,735)	4,385,192
Appropriation of earnings:									
Legal reserve	—	—	32,425	—	(32,425)	—	—	—	—
Cash dividends to shareholders	—	—	—	—	(160,825)	(160,825)	—	—	(160,825)
Stock dividends to shareholders	96,495				(96,495)	(96,495)			
Profit for the 2022	—	—	—	—	312,570	312,570	—	—	312,570
Other comprehensive income	—	—	—	—	127	127	(2,270)	—	(2,143)
Balance at December 31, 2023	$ 3,316,634	$ 15,030	$ 393,187	$ 233,273	$ 590,529	$ 1,216,989	$ (7,124)	$ (6,735)	$ 4,534,794

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

(With Solomon & Co., audit report dated March 12, 2024)

Chairman： Hung, Yau-Kuen　　General Manager： Zhao Wenqiang　　Accounting Manager：Dai Zhenhui

FWUSOW INDUSTRY CO., LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from operating activities:		
Profit before tax	$ 366,315	$ 392,684
Adjustments for		
Adjustments to reconcile profit (loss)		
Depreciation expense	204,465	180,876
Amortized expense	7,870	
Expected credit loss	3,800	3,100
Change in fair value less cost to sell of biological assets	(4,021)	1,430
Allowance for inventory valuation and obsolescence loss	11,700	8,300
Net loss (gains) on Financial Assets and Liabilities at Fair Value through profit or loss	(2,005)	3,100
Interest expense	58,784	38,867
Dividend income	(247)	(691)
Interest income	(3,578)	(1,321)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(131,648)	(21,087)
Loss (gain) on disposal of property, plant and equipment	(686)	(399)
Unrealized profit from sales	24,050	3,200
realized profit from sales	(3,200)	
Reversal of impairment loss recognized in profit or loss, property, plant and equipment		—
Gain of lease modification		—
Gain on Sale of Investments		0
Other adjustments to reconcile profit (loss)	392	183
Total adjustments to reconcile profit (loss)	165,676	215,558
Changes in operating assets and liabilities:		
Changes in operating assets		
Financial assets and liabilities at fair value through profit or loss	4	(1,240)
Notes receivable (include related parties)	33,844	(112,601)
Accounts receivable (include related parties)	120,605	(51,259)
Other receivables (include related parties)	(36,515)	10,896
Inventories	(72,014)	(705,392)
Biological assets	(1,406)	21,069
Prepayments	8,109	(18,154)
Other Current assets	(180)	1,363
Changes in operating liabilities		
Notes payable (include related parties)	(237,707)	6,848
Accounts payable (include related parties)	213,095	(64,408)
Other payables (include related parties)	21,934	16,124
Contract liabilities	(455)	(4,627)
Other current liabilities	1,104	481
Net defined benefit liability	(265)	(1,427)
Total changes in operating assets and liabilities	50,153	(902,327)
Total adjustments	215,829	(686,769)
Cash inflow (outflow) generated from operations	582,144	(294,085)
Interest received	3,578	1,321
Interest paid	(59,106)	(37,455)
Dividend received	58,955	42,734
Income tax refund (paid)	(88,429)	(44,579)
Cash provided by (used in) operating activities	497,142	(332,064)

（Carried over）

（Brought forward）

	2023	2022
Cash flows from investing activities:		
Decrease (increase) in financial assets		—
Proceeds from disposal of property, plant and equipment	741	790
Acquisitions of investments accounted for using equity method	(5,600)	(47,410)
Acquisitions of property, plant and equipment	(273,746)	(209,080)
Decrease (increase) in other non-current assets	1,274	1,536
Decrease (increase) in refundable deposits	1,221	347
Acquisition of intangible assets	(1,164)	(18,986)
Net cash flows from (used in) investing activities	(277,274)	(272,803)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(256,249)	1,299,476
Short-term notes and bills payable	50,000	(100,000)
Proceeds from long-term debt	400,000	400,000
Repayment of long-term debt	(403,334)	(490,000)
Payment of lease liabilities	(25,454)	(24,728)
Cash dividends paid	(160,825)	(353,815)
Increase in quarantee deposits received		95
Decrease in quarantee deposits received	(94)	
Net cash flows from (used in) financing activities	(395,956)	731,028
Net increase (decrease) in cash and cash equivalents	(176,088)	126,161
Cash and cash equivalents at beginning of year	806,371	680,210
Cash and cash equivalents at end of year	$ 630,283	$ 806,371

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

(With Solomon & Co., audit report dated March 12, 2024)

Chairman：Hung, Yao-Kue   General Manager： Zhao Wenqian   Accounting Manager：Dai Zhenhui

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

(With Solomon & Co., audit report dated March 12, 2024)

FWUSOW INDUSTRY CO., LTD.

Notes to Financial Statements

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. Organization

FWUSOW INDUSTRY CO., LTD. (the Company) was incorporated in February, 1955. Its shares were listed on Taiwan Stock Exchange (TSE) in December, 1990.

The main operating activities of the Company are

I. Animal and vegetable oil refining and processing business.

II. Manufacturing, processing and trading of feed and general feed additives.

III. The breeding and processing business of livestock and poultry (except goat milk and mutton).

IV. Manufacturing, processing, and trading of processed agricultural foods, milled foods, and baked processed foods such as rice, beans, and wheat.

V. Canned food, frozen food, beverages, condiments (bonito flavor, chicken flavor), dairy products (except goat milk), sugar and sugar products and other food manufacturing, processing and trading business.

VI. Manufacturing, processing, and trading of organic fertilizers.

VII. Warehousing and labor transportation supply industry, refrigeration industry and supermarket operation

VIII. Warehousing industry.

2. The Date and Procedure for the Authorization Of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 12, 2024.

3. Application Of New And Revised International Financial Reporting Standards

A. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs”) endorsed and issued into effect by the

Financial Supervisory Commission (FSC)

The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

B. The IFRSs endorsed by the Financial Supervisory Commission (FSC) for application starting from 2022 are as follows:

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 " Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1" Classification of Liabilities as Current or Non-current" Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 regarding Supplier Financing Arrangements" 。	January 1, 2043(Note 3)

Note 1:The amendments will be applied prospectively for annual reporting periods beginning on or after their respective effective dates..

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

Note 3: Exemptions from certain disclosure requirements upon initial application of this amendment.

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C. The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS i17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 [Lack of Exchangeability]	January 1, 2025 (Note 2)

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

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of this amendment, the impact on the figures shall be recognized in retained earnings as of the date of initial application. When an entity uses a non-functional currency to express its currency in the consolidated financial statements, the impact shall adjust the foreign exchange differences under equity on the date of initial application.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary Of Significant Accounting Policies

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

I. Compliance statement

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

II. Basis of Preparation

A. Measurement Bases

Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial instruments that are measured at fair values

(b) Biological assets measured at fair value less costs to sell.

(c) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

B. Functional Currency and Presentation Currency

The company uses the currency of the main economic environment in which it operates as its functional currency. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency. All financial information expressed in New Taiwan Dollars are in units of New Taiwan Dollars

Thousands.

III. Foreign currency

A. Foreign currency transaction

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise. Monetary assets and liabilities denominated in foreign currencies at the period end are retranslated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, nonmonetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

B. Translation of foreign operations

Assets and liabilities of foreign operations, including the goodwill and fair value adjustment generated at the time of merge and acquisition, shall be converted into the functional currency of the parent company only financial statements at the reporting date. Income and expenses are converted into functional currency of the parent company only financial statements at the average exchange rate in the current period, and the exchange differences are recognized in other comprehensive income

When the disposal of a foreign operation causing a loss of control, loss of joint control, or significant influence, the cumulative exchange difference related to the foreign operation is entirely reclassified as profit or loss. If the disposal involves any subsidiary of the foreign operations, the relevant accumulated exchange difference shall be reclassified into the non-controlling interests on a pro rata basis. If the disposal involves any affiliate or joint venture of the foreign operations, the relevant accumulated exchange difference shall be reclassified into income or loss on a pro rata basis.

If no repayment program is defined with respect to monetary item receivable or payable of the foreign operations and it is impossible to settle in the foreseeable future, the foreign currency exchange gain or loss generated therefor shall be held as a part of the net investment of the foreign operations and recognized as other comprehensive profit or loss.

IV. Classification of current and non-current items

Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets held mainly for trading purposes;

(b) Assets that are expected to be realized within twelve months from the balance sheet date;

(c) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Liability that meet one of the following criteria are classified as current liability; otherwise they are classified as non-current liability:

(a) Liabilities arising mainly from trading activities;

(b) Liabilities that are to be settled within twelve months from the balance sheet date;

(c) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

V. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Time deposits with maturities less than 3 months and held for the purpose of meeting short-term cash commitments rather than for investment or other purpose are classified as cash equivalents.

VI. Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and liabilities are initially recognized at fair value with transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, when the financial assets and liabilities are not measured at fair value but through profit or loss. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

A. Financial Assets

Measurement category

On regular way purchases or sales of financial assets, the derivates are recognized and derecognized on settlement date basis, the other financial assets are recognized and derecognized on trade date basis.

Financial assets held by the Company are classified into financial assets at fair value through profit or loss and financial assets at amortized cost.

(1) Financial assets at fair value through profit or loss (Financial asset at FVTPL)

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or designated at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 6(21).

(2) Financial assets at amortized cost

Financial assets that meet the following two conditions are subsequently measured at amortized cost:

(a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, and trade receivables at amortized cost, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

(a) For purchased or created credit-impaired financial assets, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.

(b) For financial assets that are not purchased or initiated credit impairment but subsequently become credit impairment, interest income is calculated by multiplying the effective interest rate by the cost of financial assets amortization.

Impairment of financial assets

The company assesses the expected credit losses of the financial assets (including accounts receivable) measured at amortized cost at each balance sheet date.

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For other financial assets, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

Expected credit loss is the weighted average credit loss based on the risk of default. The 12-month expected credit loss refers to the expected credit loss caused by the possible default event of the financial instrument within 12 months after the reporting date, and the lifetime expected credit loss represents the expected credit loss caused by all possible default events during the expected lifetime of the financial instrument. The impairment loss of all financial assets is adjusted through a loss allowance account.

B. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

An equity instrument refers to any contract that evidence a residual interest in the assets after deducting all its liabilities from its assets.

The equity instruments issued by the Company are recognized at the amount obtained after deducting the cost of direct issuance.

Interests and losses or benefits related to financial liabilities are recognized as profit and loss and listed under non-operating income and expenses.

Financial liabilities are reclassified into equity at the time of conversion, and conversion does not recognize gain or loss.

(2) Financial liabilities measured at fair value through profit and loss

Such financial liabilities are measured at fair value at the time of initial recognition, and transaction costs are recognized as profit or loss when incurred; subsequent evaluations are measured at fair value, and any gain or loss (including related interest expenses), which is reported under non-operating income and expenses.

(3) Other financial liabilities

Financial liabilities are not held for trading and are not designated as those measured at fair value through profit and loss (including long-term and short-term borrowings, accounts payable and other payables). The original recognition is measured at fair value plus directly attributable transaction costs; The subsequent evaluation adopts the effective interest rate method to measure the cost after amortization. Interest expenses that have not been capitalized as the cost of assets are reported under non-operating income and expenses.

(4) Derecognition of financial liabilities

The company derecognizes financial liabilities when contractual obligations have been fulfilled, cancelled or expired.

When derecognizing financial liabilities, the difference between the book value and the total consideration paid or payable (including any transferred non-cash assets or liabilities) is recognized as gain and loss which is reported under non-operating income and expenses.

(5) Mutual offset of financial assets and liabilities

Financial assets and financial liabilities are offset only when the company has the statutory right to offset and intend to settle on a net amount or to realize assets and settle liabilities at the same time, and then financial assets and liabilities are offset and expressed on the balance sheet as a net amount.

VII. Inventories

Inventories are stated at the lower of cost or net realizable value. When comparing lower of cost and net realizable value, except for the comparison of same inventory, it shall be made item by item. The cost of inventories, using weighted average method, includes expenditures incurred in acquiring the inventories, production cost and other costs incurred in bringing them to their existing location and condition. The cost of finished goods and work in process will be allocated production costs based on normal production. Net realized value is the estimated by the difference of the selling price in the ordinary course of business and the estimated cost of completion and applicable variable selling expenses.

VIII. Biological assets

Biological assets are initially recognized and measured at their fair value less costs to sell at each report date. The selling cost means that any additional cost can be directly attributed to the disposal assets except for the financial cost and income tax. Gains or losses from initial recognition of biological assets and subsequent changes in fair value less costs to sell are recognized profit or loss in current period.

IX. Investment in associates

Affiliated company refers to the company that the Company has significant influence on its financial and operating policies but has no control. When the company holds 20% to 50% of the voting rights of the investee, it is assumed to have significant influence.

Under the equity method, the original acquisition is recognized at cost, which includes transaction costs. The book value of the investment in the related company includes the goodwill arising from the acquisition less any accumulated impairment loss.

The financial report includes the Company’s share of profit and loss and other comprehensive income of the equity accounted investee after making adjustments to the company’s accounting policy consistency, from the date significant influence commence to the date significant influence ceases.

Unrealized benefits arising from transactions between the company and affiliated companies have been eliminated to the extent of the company's equity in the investee company. The method of eliminating unrealized losses is the same as that of unrealized benefits, but only when there is no evidence of impairment.

When the company shall recognize the loss of the affiliated company in proportion to or exceed its equity in the affiliated company, it shall stop recognizing its losses. Only when legal obligations, constructive obligations or payments have been made on behalf of the investee have occurred, additional losses and related liabilities are recognized.

X. Investment in subsidiaries

When preparing individual financial reports, the Company adopts the equity method to evaluate investee companies with control. Under the equity method, the current profit and loss and other comprehensive profit and loss of the individual financial report are prepared on the basis of the consolidated financial report. The current profit and loss and other comprehensive profit and loss in the financial report are the same attributable to the owners of the parent company, and the owner’s equity of the individual financial report is prepared on the basis of the merger. The equity attributable to the owners of the parent company in the financial report is the same.

Changes in the ownership and equity of the subsidiary by the Company that do not result in the loss of control shall be treated as equity transactions with the owner.

XI. Property, Plant and Equipment

A. Recognition and Measurement

Property, plant and equipment are measured at cost less accumulated depreciation and impairment. Cost includes expenditures that can be directly attributable to the acquisition of assets. The cost of self-built assets includes raw materials and direct labor, any cost to bring the asset to the usable state for its intended use, the cost of dismantling and removing and restoring the location, and the borrowing cost of the capitalized assets that meet the requirements. The software purchased to integrate the functions of the related equipment is also capitalized as part of the equipment.

When property, plant and equipment are in different categories and the difference is significant to the total cost, it would be appropriate to adopt different depreciation rate or method as separate item.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in net profit or loss in other income or loss.

B. Subsequent cost

Subsequent expenditure is capitalized, only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the expenditure can be measured reliably. The carrying amount of the replacement is derecognized. Ongoing repairs and maintenance are expensed when incurred.

C. Depreciation

The property, plant and equipment were depreciated on straight-line basis over the estimated useful life. Depreciation of property, plant and equipment is evaluated by major identical category. Only when the useful lives of the assets in that category are different from the rest. Thus that different category shall be depreciated separately. Depreciation is recognized as profit or loss.

Land is not depreciated.

The estimated useful lives of property, plant and equipment in current and comparative period are as follows:

(1) Buildings 3～53years

(2) Machinery and equipment 3～25years

(3) Transportation equipment 3～12 years

(4) Office and Other equipment 3～40 years

The assets' residual values, useful lives and depreciation methods are reviewed~~,~~ and adjusted if appropriate, at each financial year-end. If the expected value is different from original estimation, it will be adjusted appropriately when necessary. Such adjustment shall be accounted for a change in accounting estimation.

XII. Lease

The company assesses whether the contract belongs to (or includes) a lease at the date of contract establishment.

A. The company is the lessor

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

Under finance leases, lease payments include fixed payments and variable lease payments that depend on an index or rate. The net lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the original direct cost which is expressed as a financial lease receivable. Finance income is allocated to each accounting period to reflect the fixed rate of return that the combined company's unexpired net lease investment can obtain in each period.

Under operating leases, lease payments after deducting lease incentives are recognized as income on a straight-line basis during the relevant lease period. The original direct cost incurred in obtaining an operating lease is added to the book value of the underlying asset and recognized as an expense during the lease period on a straight-line basis.

B. The company is the lessee

Except for the lease payments of low-value underlying asset leases and short-term leases that are subject to the applicable recognition exemption, the lease payments are recognized as expenses on a straight-line basis during the lease period, and other leases are recognized as right-of-use assets and lease liabilities on the lease start date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability and the lease payment paid before the lease start date), and subsequently measured at the cost after deducting accumulated depreciation and accumulated impairment losses, and the remeasured amount of the lease liability is adjusted. Right-of-use assets are separately expressed on the balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease start date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities were originally measured by the present value of lease payments (including fixed payments and substantive fixed payments). If the implicit interest rate of the lease is easy to determine, the lease payment is discounted using that interest rate. If the interest rate is not easy to determine, use the lessee's incremental borrowing interest rate.

Subsequently, the lease liability is measured on the amortized cost basis using the effective interest method, and the interest expense is amortized during the lease period. If changes in the lease period lead to changes in future lease payments, the company will re-measure the lease liabilities and relatively adjust the right-of-use asset. However, if the book value of the right-of-use asset has been reduced to zero, the remaining remeasured amount is recognized in profit and loss. Lease liabilities are separately expressed on the balance sheet.

The variable rent in the lease agreement that is not dependent on the index or rate is recognized as an expense in the period in which it occurs.

XIII. Impairment of Non-financial Assets

The Company measures whether impairment occurred in non-financial assets, except for inventories, deferred income tax assets, employee benefits and biological assets at the end of every reporting date, and estimates the recoverable amount. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Company will evaluate the impairment based on the recoverable amount from the asset's cash-generating unit.

The recoverable amount is determined by the higher value of an individual asset or a cash-generating unit less costs to sell or its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount and recognized an impairment loss. An impairment loss shall be recognized immediately in current period.

The Company should assess at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. An impairment loss recognized in prior periods for an asset other than goodwill shall be reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss. An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Regarding inventory, deferred income tax assets, assets generated from employee benefits, and non-financial assets other than biological assets, the company assesses whether impairment has occurred at the end of each reporting period, and estimates the recoverable amount of assets with signs of impairment. If the recoverable amount of an individual asset cannot be estimated, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs to assess the impairment.

XIV. Treasury Stock

The Company acquires its outstanding shares, the acquisition cost is debited to the treasury stock account (including any directly attributable costs). When treasury stock is sold, the excess of the selling price over the carrying amount is credited to the capital surplus from treasury stock transactions account. If the carrying amount exceeds the selling price, the excess is first offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, is debited to retained earnings. The carrying amount of treasury stock is calculated by using the weighted-average approach according to the same class of treasury stock (common stock or preferred stock).

When the Company's treasury stock is the capital surplus - premium on stock account and capital stock account should be debited proportionately according to the share ratio. The carrying value of treasury stock in excess of the sum of its par value and premium on stock should first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, debited to retained earnings. The sum of the par value and premium on treasury stock in excess of its carrying value should be credited to capital surplus from the same class of treasury stock transactions.

XV. Revenue recognition

1. Sales of goods

A. The Company manufactures and sells animal feeds, cooking oil, agricultural livestock products and related consumer food. Sales are recognized when control of the products has transferred, which also means that the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the products in accordance with the sales contract, or the

Company has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from sales of goods is recognized based on the price specified in the contract, net of the estimated volume discounts, sales discounts and allowances. The volume discount or sales allowance is usually offered by client's purchase volume. Based on historical experience of sales discounts offered, revenue is only recognized to the extent that it is highly probable that no significant reversal will occur. The estimation is reassessed at each reporting date. The credit term of 30 to 60 days after shipment is consistent with market practice, which is deemed not involved major financial arrangement in the sales contracts. The down payment receiving from selling products is deemed as contractual liability to fulfill the Company's obligation.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2. Financing components

The contract between the Company and client is the obligation to transfer goods or services to the client and payment term is within one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

XVI. Employee benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are recognized as pension expense in the period when employees render service.

B. Defined benefit plans

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expense in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability (asset) represents the actual deficit (surplus) in the

Company's defined benefit plan. Net defined benefit asset is recognized to the extent of a contribution refund to the plan or deduction in future payments.

C. Short-term employee benefits

Short-term employee benefits are expensed at the undiscounted amount in exchange for service rendered by employees. A liability is reliably estimated and recognized for the amount of short-term cash bonus or employee dividend plan expected to be paid when the Company has a present legal or constructive obligation as a result of past service provided by the employee.

XVII. Income taxes

Income taxes comprise current taxes and deferred taxes. Except for tax related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss for the period.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year, and any adjustment to the tax payable or receivable in respect of previous years

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized for the following conditions:

A. The initial recognition of assets and liabilities in a transaction that is not a business combination which affects neither accounting nor taxable profits (losses) at the time of the transaction.

B. Temporary differences related to investments in subsidiaries, associates and joint arrangements which is probable that they will not reverse in the foreseeable future.

C. Temporary differences arising from the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only when the following criteria are met:

A. The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

B. The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

i. The same taxable entity; or

ii. Different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

XVIII. Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share are calculated as the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee stock bonus.

XIX. Operating segments

The Company has disclosed the information on operating segments in its consolidated financial statements. Hence, no further information is disclosed in the parent company only financial statements.

5. Critical Accounting Judgments And Key Sources Of Estimation Uncertainty

The preparation of the parent company only financial statements in conformity with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" requires management to make judgments, estimations and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimations.

The Company has considered the economic implications pandemic on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance as a result of the pandemic. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. The following are the key assumptions concerning the future, and other key sources of estimation：

1. Note 6(4)，Assessment of impairment of accounts receivable
2. Note 6(5)，Valuation of Inventory
3. Note 6(12)，Measurement of net definite benefit liabilities
4. Note 6(13)，Realization of Deferred Income Tax Assets。

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023		December 31, 2022	
Cash on hand	$	800	$	877
Checking accounts		2,870		6,886
Demand deposits		550,943		674,208
Foreign currency deposit		75,670		124,400
	$	630,283	$	806,371

(2) Current financial asset at fair value through profit or loss

	December 31, 2023		December 31, 2022	
Listed OTC stock and fund	$	4,965	$	4,969
Unquoted shares		833,373		84,493
Adjustments for change		(83,989)		(84,289)
	$	4,349	$	5,173

Current financial liability at fair value through profit or loss

	December 31, 2023		December 31, 2022	
Forward exchange contracts	$	785	$	2,490

The Company entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates.

For forward foreign exchange contracts that have not yet expired, the following instructions:

	December 31, 2023		
	Currency	Maturity Date	Contract Amounts (Thousand)
Forward foreign exchange buying contracts	USD exchange NTD	2024.01	USD 1,000

	December 31, 2022		
	Currency	Maturity Date	Contract Amounts (Thousand)
Forward foreign exchange buying contracts	USD exchange NTD	2023.01	USD 2,000

The company's estimated net profit and loss on derivative financial products in 2023 and 2022 are 1,705 thousand dollars and (2,490) thousand dollars.

In 2023 and 2022, the net gains and losses recognized by offsetting contracts of derivative financial asset transactions were (298) thousand dollars and 18,331 thousand dollars, respectively.

(3) Notes receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 434,819	$ 461,358
Less: Loss allowance	(697)	(697)
	$ 434,122	$ 460,688

(4) Accounts receivable (including overdue receivables)

Current:

	December 31, 2023	December 31, 2022
Accounts receivable	$ 795,153	$ 873,417
Less: Loss allowance	(10,509)	(5,513)
	$ 784,644	$ 867,904

Non-current：

	December 31, 2023	December 31, 2022
overdue receivables	$ —	$ 1,253
Less: Loss allowance	—	(1,253)
	$ —	$ —

The average credit period for sales of goods was 60 days. No interest was charged on accounts receivable. In determining the recoverability of trade receivables, the Company considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. The company will first review the credit rating of customers for new transactions, and obtain sufficient guarantees when necessary to reduce the default risk of financial losses. The company will use other publicly available financial information and historical transaction records to rate major customers. The Company's credit exposures and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty credit limit that are reviewed and approved by the accounting department annually.

In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs.。The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Company estimates expected credit losses based on past due days. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Company's different customer base.

The Company writes off accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For accounts receivable that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

December 31, 2023

	Current	1 to 30	31 to 60	61 to 120	Over 120	Total

		days	days	days	days	
Expected Credit Loss	0%-0.13%	0%-2%	0%-7%	0%-100%	100%	
Carrying amount	$ 1,805,688	$ 139,470	$ 9,062	$ 3,801	$ –	$ 1,958,021
lifetime expected credit losses	(5,369)	(2,750)	(543)	(2,926)	$ –	(11,588)
Amortized cost	$ 1,800,319	$ 136,720	$ 8,519	$ 875	$ –	$ 1,946,433

December 31, 2022

	Current	1 to 30 days	31 to 60 days	61 to 120 days	Over 120 days	Total
Expected Credit Loss	0%-0.02%	0%-1%	0%-5%	0%-100%	100%	
Carrying amount	$ 2,072,776	$ 30,937	$ 7,407	$ 154	$ 1,253	$ 2,112,527
lifetime expected credit losses	(2,539)	(1,795)	(2,104)	(154)	(1,253)	(7,845)
Amortized cost	$ 2,070,237	$ 29,142	$ 5,303	$ –	$ –	$ 2,104,682

Change information of loss allowance：

	2023	2022
Opening balance	$ 7,845	$ 11,889
Overdue credit impairment loss	3,800	3,100
Non recoverable receivable	(57)	(7,144)
Ending balance	$ 11,588	$ 7,845

(5) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 749,800	$ 1,062,721
Materials	70,378	71,166
Semi-manufactures	67,804	32,631
Manufactures	562,962	855,947
Inventory in transit - materials	1,088,916	445,381
	2,539,860	2,467,846
Less: allowance for inventory write-down	(43,015)	(31,315)
Net inventories	$ 2,496,845	$ 2,436,531

The cost of inventories recognized as expense for the year:

	2023	2022
Cost of goods sold	$ 13,690,955	$ 14,640,261
Costs of conversion	–	2,610
Loss on decline in market value	11,700	8,300
Net loss on physical inventory	45,885	36,581
Income from disposal of leftover and scraps	(682)	(397)
loss on inventory retired	7,817	–

Others	5,805	7,474
	$ 13,761,480	$ 14,694,829

1. In the fiscal year 112, and 111, the inventory write-down provision amounted to 11,700 thousand NT dollars and 8,300 thousand NT dollars respectively. Due to an increase in raw material costs, the inventory was written down to its net realizable value."
2. As of December 31, 2023 and 2022, the Group's inventories were not provided as pledged assets.

(6) Investments accounted for using equity method

Investments accounted for using equity method-subsidiaries are provided as follows:

	December 31, 2023	December 31, 2022
Subsidiary company	$ 526,985	$ 510,189
Associates	391,649	368,471
	$ 918,634	$ 878,660

1. Investments in subsidiaries

   A. Investments accounted for using equity method

	December 31, 2023		December 31, 2022	
Investee	Carrying amount	share holding ratio %	Carrying amount	share holding ratio %
FWUSOW NEW INDUSTRY CO., LTD.	$ 174,529	99.07	$ 171,458	99.07
ZILLION INVESTMENT CO.	128,628	85.70	129,294	85.70
YI ZAI HOLDING CO.	5,573	100.00	5,566	100.00
WANJISHENG AGRICULTURAL TECHNOLOGY CO.,	218,255	98.71	203,871	98.71
	$ 526,985		$ 510,189	

   B. Investments accounted for using equity method credit balance

	December 31, 2023		December 31, 2022	
Investee	Carrying amount	share holding ratio %	Carrying amount	share holding ratio %
CHARMING FOOD INTERNATIONAL MARKETING CO., LTD.	$ (207,437)	72.75	$ (234,367)	72.75

(a) The above-mentioned long-term equity investment and its related investment gains and losses evaluated according to the equity method are calculated based on the financial statements of the investee company that have been verified by an accountant during the same period.

(b) In 2018, the Company sold land to its subsidiary, Charming Food International Marketing Co., Ltd. deferred recognition of disposal benefits in accordance with the IFRS 10 Bulletin, and accounted for its disposal benefits of 294,128 thousand dollars for investment deductions using the equity method. The net investment using the equity method is negative, and the third party is subsequently disposed of in the subsidiary to realize its benefits.

(c) In November 2022, the Company further invested 47,410 thousand shares in the subsidiary WANJISHENG AGRICULTURAL TECHNOLOGY CO., which did not subscribe or acquire new shares proportionately cause the decrease in percentage of ownership to 98.71%.

2. Investments in associates

The Company's associates are as follows:

Investee	December 31, 2023 Carrying amount	December 31, 2023 Share holding ratio %	December 31, 2022 Carrying amount	December 31, 2022 share holding ratio %
CENTRAL UNION OIL CORP.	$ 305,913	32.33	$ 296,808	32.33
CHIATON INTERNATIONAL CO., LTD.	79,047	37.50	71,663	37.50
DINGDA INTERNATIONAL CO., LTD	6,689	21.88		
	$ 368,471		$ 368,471	

1. In February 2022, the Company invested 1,120 million NT dollars in DINGDA International Co., Ltd., holding an 8.1% stake with no significant influence. In September 112, the Company participated in Top International Co., Ltd.'s capital increase of 5,600 million NT dollars, acquiring a 21.88% stake based on the investment cost. As the Company gained significant influence over Top International Co., Ltd., the original investment and the capital increase amount were reclassified as investments accounted for using the equity method.

The company primarily operates in the manufacturing of canned, frozen, dehydrated, and pickled

food products.

2. The affiliated enterprises in which our company has invested do not have publicly quoted prices.

3.Details of share of profit and loss of associate are as follows:

	2023	2022
The company's share of the net profit of the associated companies for the current period	$ 64,635	$ 67,723
The company's share of other comprehensive profits and losses of associated companies	$ 244	$ 495

4.Details of financial information of associate are as follows:

	December 31, 2023	December 31, 2022
Total assets	$ 3,184,706	$ 3,175,596
Total liability	1,993,764	2,064,322
Net assets	$ 1,190,942	$ 1,111,274

	2023	2022
Revenues	$ 11,876,232	$ 11,884,589
Net profit	$ 194,548	$ 204,261
Share of profit (loss) of associates for using equity method	$ 755	$ 1,531

The investment gains or losses recognized under the equity method for the fiscal years 2023 and 2022 are calculated based on the audited financial statements of the investee companies by their respective accountants."

The above financial information has not been adjusted based on the proportion of ownership held by our company."

5.As of December 31, 2023, and December 31, 2022, our company's investments accounted for using the equity method have not been pledged or guaranteed."

(7) Property, plant and equipment

1. Capitalization amount and interest rate range of borrowing costs for property, plant and equipment:

	2023	2022
Capitalization amount	$ 2,036	$ 1,244
Capitalization interest rate	1.84%	1.59%

2. Details of property, plant and equipment

	Land	Buildings	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Cost：							
At January 1, 2023	$ 1,343,331	$ 1,690,936	$ 2,475,153	$ 114,704	$ 302,819	$ 178,037	$ 6,104,980
Additions	708	1,525	4,702	190	19,949	239,371	266,445
Reclassifications	—	40,130	196,650	2,829	18,503)	(294,063)	(35,951)
Disposals	—	—	—	(7,027)	(8,835)	—	(15,862)
December 31, 2023	$ 1,344,039	$ 1,732,591	$ 2,475,153	$ 110,696	$ 332,436	$ 123,345	$ 6,319,612
At January 1, 2022	$ 1,343,331	$ 1,669,878	$ 2,444,152	$ 115,452	$ 313,624	$ 30,534	$ 5,916,971
Additions	—	974	876	697	2,729	222,423	227,699
Reclassifications	—	20,914	53,385	2,511	(10,332)	(74,690)	(8,442)
Disposals	—	(830)	(23,260)	(3,956)	(3,202)	—	(31,248)
December 31, 2022	$ 1,343,331	$ 1,690,936	$ 2,475,153	$ 114,704	$ 302,819	$ 178,037	$ 6,104,980

	Land	Buildings	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
Accumulated depreciation and impairment							
At January 1, 2023	$ (26,643)	$ (1,202,327)	$ (1,853,692)	$ (101,059)	$ (190,454)	$ —	$ (3,374,175)
Additions	—	(46,535)	(84,916)	(5,567)	(40,489)	—	(177,507)
Gain on reversal of impairment loss	—	—	—	—	—	—	—
Disposals	—	—	—	6,979	8,828	—	15,807

	Land	Buildings	Machinery and Equipment	Transportation equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At December 31, 2023	$ (26,643)	$ (1,248,862)	$ (1,938,608)	$ (99,647)	$(222,115)	$ —	$ (3,535,875)
At January 1, 2022	$ (26,643)	$ (1,156,818)	$ (1,783,310)	$ (98,645)	$ (184,622)	$ —	$ (3,250,038)
Additions	—	(46,322)	(79,444)	(6,277)	(22,951)	—	(154,994)
Gain on reversal of impairment loss	—	—	(13,932)	—	13,932	—	—
Disposals	—	813	22,994	3,863	3,187	—	30,857
At December 31, 2022	$ (26,643)	$ (1,202,327)	$ (1,853,692)	$ (101,059)	$ (190,454)	$ —	$ (3,374,175)
Book Value:							
December 31, 2023	$ 1,317,396	$ 483,729	$ 737,897	$ 11,049	$ 110,321	$ 123,345	$ 2,783,737
December 31, 2022	$ 1,316,688	$ 488,609	$ 621,461	$ 13,645	$ 112,365	$ 178,037	$ 2,730,805

3. The information about the property, plant and equipment is pledged as collateral is disclosed in Note 8.
4. The land and building in Zhuzi Douliu City, Yunlin County owned by the Company was in agriculture and animal husbandry category, which was registered under personal name. The Company had agreement to pledge the property to the Company as collateral.

(8) Lease arrangements

(a)Right-of-use assets

	Land	Building	Transportation equipment	Total
Cost：				
Balance at January 1, 2023	$ 13,036	$ 15,190	$ 82,218	$ 110,444
Addition	1,722	—	14,383	16,105
Lease Modifying	—	—	(15,269)	(15,269)
Balance at December 31, 2023	$ 14,758	$ 15,190	$ 81,332	$ 111,280
Accumulated depreciation and impairment:				
Balance at January 1, 2023	$ 6,323	$ 7,319	$ 36,152	$ 49,794
Depreciation	2,301	3,314	20,063	25,678
Decrease	—	—	(14,947)	(14,947)
Balance at December 31, 2023	$ 8,024	$ 10,633	$ 41,268	$ 60,525
Book value:				

	Land		Building		Transportation equipment		Total	
Balance at December 31, 2023	$	6,134	$	4,557	$	46,066	$	50,755
Cost：								
Balance at January 1, 2022	$	12,539	$	13,142	$	80,236	$	105,917
Increase		497		2,048		9,016		11,561
Decrease		—		—		(7,034)		(7,034)
Balance at December 31, 2022	$	13,036	$	15,190	$	82,218	$	110,444
Accumulated depreciation and impairment:								
Balance at January 1, 2022	$	4,668	$	4,005	$	23,226	$	31,899
Depreciation		1,655		3,314		19,960		24,929
Decrease		—		—		(7,034)		(7,034)
Balance at December 31, 2022	$	6,323	$	7,319	$	36,152	$	49,794
Book value:								
Balance at December 31, 2022	$	6,713	$	7,871	$	46,066	$	60,650

For the years ended December 31, 2023 and 2022, the Company did not undergo major sub-leases and impairments.

(b)Lease liabilities

	December 31, 2023		December 31, 2022	
Book value of lease liabilities				
current	$	22,106	$	24,024
non-current	$	29,517	$	37,270

The discount rate of leasing liability was both 1.03%~2.09% and 1.03% in above accounting years.

(c)Material lease-in activities and terms

The Company leases buildings for the use of warehouse and offices with lease terms of 1 to 9 years. The Company does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Company is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor’s consent.

(d)Other lease information

	2023	2022

Expenses relating to short-term leases	$ 544	$ 157
Low-value asset lease expenses	$ 95	$ 38
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 3,354	$ 5,036
Total cash (outflow) for leases	$ 31,207	$ 30,993

The Company leased transportations and equipment which meets the threshold to waive the recognition of ownership assets and leasing liability.

(9)Short-term loans

Nature of loan	December 31, 2023	interest rates range from	Maturity year	Collateral
Bank loans				
Purchase loans	$ 98,847	6.5%～6.62%	2024.06	NONE
Credit loans	1,650,000	1.65%～1.86%	2024.01～2024.12	NONE
	$ 1,748,847			

Nature of loan	December 31, 2022	interest rates range from	Maturity year	Collateral
Bank loans				
Purchase loans	$ 225,096	5.48%～6.03%	2023.01～2023.06	NONE
Credit loans	1,780,000	1.32%～1.86%	2023.01～2023.08	NONE
	$ 2,005,096			

(10) Short-term commercial paper payable

	December 31, 2023	December 31, 2022,
Commercial paper payable	$ 50,000	$ —
Discount	—	—
	$ 50,000	$ —
Interest rate range	1.85%	—
Maturity year	2024.01	—

1. Short-term commercial paper payable pledged as collateral are set out in Note 8.

2. The above short-term bills payable are guaranteed by financial institutions.

(11)Long-term loans

	December 31, 2023	December 31, 2022
Collateralize loans	$ —	$ 75,000
Credit loans	1,316,666	1,245,000
Less: Current portion of long-term loans payable	(477,083)	(503,333)

Long-term debt payable	$ 839,583	$ 816,667
Interest rate range	1.63%～1.93%	1.51%～1.86%
Maturity year	2024.9～2028.10	2023.4～2027.6
Unspent amount	$ 483,333	$ 430,000

(12)Plan of post-retirement benefits

A. Defined benefit plans

	December 31, 2023	December 31, 2022
Total present value of obligations	$ 13,637	$ 13,826
Fair value of project assets	(13,196)	(13,265)
Recognized definite benefit obligation liabilities	$ 441	$ 561

The Company’s employee retirement plan based on the Labor Standards Law is a definite benefit plan. According to the plan, a monthly retirement reserve fund is allocated at 10% of the total salary of the employees, which is managed by the Labor Retirement Reserve Supervision Committee, and deposited in the special retirement reserve account of the Trust Department of Bank of Taiwan in the name of the committee. The retirement payment of each employee subject to the Labor Standards Law is calculated based on the base number of years of service and the average salary of the six months before retirement.

(a) Statement of changes present value of a defined benefit obligation

	2023	2022
present value of a defined benefit	$ 13,826	$ 15,212
employee benefits expense	(617)	—
Current service cost and interest	190	114
Recognition of other comprehensive income	238	(1,500)
present value of a defined benefit	$ 13,637	$ 13,826

(b) Composition of project asset composition

The retirement fund allocated by the Company in accordance with the Labor Standards Law is coordinated and managed by the Labor Retirement Fund Supervisory Committee of the Labor Committee of the Executive Yuan. According to the provisions of the "Labor Retirement Fund Revenue and Expenditure and Utilization Measures", the use of the fund and its annual final accounting distribution of the lowest income, shall not be lower than the income calculated based on the two-year fixed deposit interest rate of the local bank.

Details of employee benefit plan bank account:

	2023	2022
Fair value of planned assets at the beginning of the period	$ 13,265	$ 10,946
Allocated amount	271	1,450
Interest income	185	91
Benefits paid from plan assets	(617)	—
Plan asset return	92	778
Fair value of plan assets at the end of the period	$ 13,196	$ 13,265

(c)Recognition as an profit and loss

	2023	2022
Current service cost	$ —	$ —
Interest cost	190	114
Interest income	(185)	(91)
Employee retirement benefits	$ 5	$ 23

(d)Actuarial gains and losses recognized as other comprehensive gains and losses (before tax)

	2023	2022
Accumulated balance on January 1	$ 157,540	$ 159,818
Recognized during the period	146	(2,278)
Accumulated balance on December 31	$ 157,686	$ 157,540

(e)Actuarial assumptions

The Company is exposed to the following risks due to the pension system of the "Labor Standards Law":

1). Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor retirement funds in domestic (foreign) equity securities, debt securities, and bank deposits through its own use and entrusted operations, but the company’s planned assets can be allocated to the amount of The income calculated based on the interest rate not lower than the local bank's 2-year fixed deposit rate.

2). Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined welfare obligations, but the return on debt investment of planned assets will also increase, and the impact of the two on the net defined welfare liabilities will partially offset the effect.

3). Salary risk: The calculation to determine the present value of the benefit obligation refers to the future salary of the plan members. Therefore, the increase in the salary of the plan members will increase the present value of the determined benefit obligation.

The present value of the company's determined welfare obligations is actuarially calculated by qualified actuaries. The major assumptions on the measurement date are as follows:

	2023	2022
Discount rate	1.25%	1.38%
Expected salary increase rate	2.25%	2.25%

(f)When calculating and determining the present value of welfare obligations, the Company must use judgments and estimates to determine relevant actuarial assumptions on the balance sheet date, including employee turnover rates and future salary changes. Any change in actuarial assumptions may materially affect the amount of the company's determined welfare obligations.

Assuming that the discount rate changes by 0.25%, there will be the following effects:

	2023	
	Increase	Decrease
Net defined benefit liability	$ 419	$ (437)

	2022	
	Increase	Decrease
Net defined benefit liability	$ 415	$ (435)

The Company expects to allocate 0 thousand dollar to the determined benefit plan within one year after December 31, 2023.

B. Defined contribution plans

The company's definite allocation plan is based on the labor pension regulations, and is allocated to the labor insurance bureau's labor pension individual account at a rate of 6% of the labor's monthly salary. After the fixed amount is allocated to the Labor Insurance Bureau under this plan, there is no statutory or constructive obligation to pay additional amounts.

The pension expenses under the Company's 2023 and 2022 pension plans are 18,879 thousand dollar and 19,377 thousand dollar respectively, which have been transferred to the Labor Insurance Bureau.

(13)Income tax

1. Income tax expense recognized in profit or loss：

	2023	2022
Income tax expense calculated at the statutory rate	$ 73,263	$ 78,536
Amount of tax impact of income tax adjustment items		
Permanent differences	(16,935)	(4,423)
Temporary differences	(3,263)	2,142
Income tax credits	—	—
Adjustments for prior years	(467)	(2,519)
Income tax on unappropriated earnings	1,725	—
Deferred income tax expenses adjusted this year	(578)	(2,982)
Income tax expense	$ 53,745	$ 70,754

2. Deferred income tax

The analysis of deferred income tax assets (liabilities) is as follows：

	2023			
	Balance on January 1	Profit and loss	Other comprehensive income	Balance as of December 31
Temporary differences				
Deferred Bad Debt Losses	$ 4,954	—	—	$ 4,954
Inventory Valuation Losses	6,987	1,5,36	—	8,523
Unrealized Gain or Loss	(388)	(14)	—	(402)
Net changes in equity of investment accounted for using equity method	19,273	(4,713)	—	14,560
Impairment loss recognized under the cost method	7,218	—	—	7,218
Fixed asset impairment loss	(468)	—	—	(468)
Others	(2,260)	3,769	—	1,509
Defined benefit plans actuarial loss	(468)	—	29	(439)

Conversion difference in the conversion of financial statements of foreign operating organizations	(1,218)	—	567	(651)
	$ 33,630	$ 578	$ 596	$ 34,804

	2022			
	Balance on January 1	Profit and loss	Other comprehensive income	Balance as of December 31
Temporary differences				
Deferred Bad Debt Losses	$ 4,954	—	—	$ 4,954
Inventory Valuation Losses	5,041	1,946	—	6,987
Unrealized Gain or Loss	(163)	(225)	—	(388)
Net changes in equity of investment accounted for using equity method	19,273	—	—	19,273
Impairment loss recognized under the cost method	7,218	—	—	7,218
Fixed asset impairment loss	(468)	—	—	(468)
Others	(3,521)	1.261	—	(2,260)
Defined benefit plans actuarial loss	(12)	—	(456)	(468)
Conversion difference in the conversion of financial statements of foreign operating organizations	(741)	—	(477)	(1,218)
	$ 31,581	$ 2,982	$ (933)	$ 33,630

3. Deductible temporary differences and unused taxable loss balances that are not recognized as deferred income tax assets:

	2023	2022
Net investment income or loss accounted for using equity method	$ 36,583	$ 41,296
Net investment income or loss accounted for using cost method	7,690	7,690
	$ 44,273	$ 48,986

4. The income tax settlement declaration of the company's for-profit business has been approved by the auditing agency until 2021.

(14) Capital and other equity

A. Issuance of ordinary shares

In 2023 and 2022, the total amount of the company's rated share capital is 500,000 dollar, each with a par value of 10 dollars, and the issued shares are 331,663 thousand and 322,014 thousand ordinary shares.

B. Capital Surplus

Details of capital reserve balance:

	December 31, 2023	December 31, 2022
Treasury stock trading	$ 5,996	$ 5,996
Change in ownership interests in subsidiaries	672	672
Others	8,362	8,362
	$ 15,030	$ 15,030

According to the provisions of the Company Law, the capital reserve must be given priority to make up for the losses before it can be issued to new shares or cash in proportion to the shareholders' original shares based on the realized capital reserve. The "realized capital reserve" mentioned in the preceding paragraph includes the excess of the issuance of stocks in excess of the par value and the income received from donations. In accordance with the issuer's guidelines for the handling of securities raised and issued, the total amount of the capital reserve that can be allocated for replenishment each year shall not exceed 10% of the paid-in capital.

C. Retained earnings

If the company makes a profit in the year, it shall allocate 2% for employee remuneration, and the remuneration of directors and supervisors shall be no more than 5%. After review and approval by the Salary and Remuneration Committee, it shall be submitted to the board of directors for resolution. Employee compensation and the distribution of directors and supervisors' compensation shall be reported to the shareholders meeting. However, when the Company still has accumulated losses, it shall retain the amount of the loss to be made up before the allocation, and then allocate the compensation for employees and directors and supervisors in proportion to the preceding paragraph.

If the Company has surpluses after its annual accounts, in addition to paying income tax and making up previous losses in accordance with the law, it should first set aside 10% of the statutory surplus reserve, and deduct the shareholders' equity (including foreign operating institutions). The balance of the conversion difference in the conversion of financial statements, unrealized gains and losses of financial assets available for sale, and the cumulative balance of hedging tool benefits and losses that are the effective hedging part of cash flow hedging) shall be set to special surplus reserve. If there is a subsequent reduction in the amount of deductions for shareholders' equity, the reduced amount can be transferred from the special surplus reserve back to the undistributed surplus. If there is a balance available for the current period, the shareholder's dividend will be based on the current period's distributable amount and the accumulated undistributed surplus in the previous year. The allocated surplus and the undistributed surplus adjustment amount of the current year shall be allocated 40% to 90%, of which the cash dividend shall not be less than 10% of the total dividend. If the cash dividend per share is less than 0.1 dollar, the payment shall be made as a stock dividend.

(a)Legal reserve

According to the Company law, the company shall allocate 10% of its net profit after tax as a statutory surplus reserve until it is equal to the total capital. When the company has no losses, it may be approved by the shareholders' meeting to issue new shares or cash with the statutory surplus reserve, but only if the reserve exceeds 25% of the paid-in capital.

(b)Appropriated Retained Earnings

When the Company first adopted the International Financial Reporting Standards recognized by the FSC, it chose to apply the IFRS No. 1 "First-time Application of International Financial Reporting Standards" exemption item, and accounted for the unrealized revaluation increase and accumulation under shareholders' equity Conversion adjustments (benefits), and the fair value on the conversion date is used as the recognized cost to increase the retained surplus amount to 243,814 thousand dollars. The same amount is set forth in accordance with the FCA's April 6, 2012 Jin Guan Zheng Fa Zi Order No. 1010012865 When using, disposing of, or reclassifying related assets, the proportion of the special surplus reserve that was originally set aside may be converted to distribute the surplus. As of December 31, 2023, the balance of this special surplus reserve is 233,273 thousand dollars.

In accordance with the provisions of the letter and order mentioned in the previous paragraph, when the company distributes distributable surplus, the difference between the net deduction of other shareholders' equity in the current year and the balance of the special surplus reserve mentioned in the previous paragraph shall be calculated from the current profit and loss The undistributed surplus in the previous period shall be added to the special surplus reserve; the amount of other shareholder equity deductions accumulated in the previous period will not be distributed to the special surplus reserve from the undistributed surplus in the previous period. If there is a subsequent reversal of the deduction of other shareholders' equity, the reversal part of the surplus may be distributed.

(c)Disposition of net income

Details of the company passed the 2022 and 2021 annual earnings distribution proposal and dividend distribution on June 9, 2023 and June 17, 2022 through the resolutions of the shareholders' meeting

	Surplus distribution		Dividend per share(dollar)	
	2022	2021	2022	2021
Legal reserve	$ 32,425	$ 32,160	—	—
Cash dividends	160,825	353,815	0.50	1.10
Stock dividends	96,495		0.30	
	$ 289,745	$ 385,975		

D. Other equity

The items listed under other equity are the cumulative amount of net after-tax in the financial statements of the company's foreign operating organizations.

(15)Treasury stock

Reason	2023			
	Beginning	Increase	Decrease	The end
Transfer shares to employees	364,000	—	—	364,000

Reason	2022			
	Beginning	Increase	Decrease	The end
Transfer shares to employees	364,000	—	—	364,000

A. Ordinary Stock

(a) The company's board of directors resolved on April 7, 2020 to buy back 10,000,000 common shares in order to transfer shares to employees. The price per share is scheduled to be between 13.00 dollars and 26.00 dollars, and the total amount of shares to be repurchased is expected to be capped at 476,765 Thousand dollars. As of June 6, 2020, 364,000 shares have been executed, accounting for 0.11% of the total issued shares of the company. The average repurchase price is 18.50 dollars, and the repurchase cost is 6,735 thousand dollars.

(b) Treasury stock shall not be pledged, nor does it entitle voting rights or receive dividends, in compliance with Securities and Exchange Law of the ROC.

(16)Earnings Per Share

	2023	2022
	After tax	After tax
Consolidated net income attributed to stockholders of the company	$ 312,570	$ 321,930

	2023	2022
Number of issued shares at the beginning of the period(thousand)	322,014	322,014
Stock repurchase	(364)	(364)
Weighted average number of outstanding shares at the end of 2022, retrospectively calculated to account for bonus shares.	9,649	
Number of shares outstanding at the end of the period(thousand)(B)	331,299	321,650
Basic(A/B)(dollar)	$ 0.94	$ 0.97
Basic (pre-adjustment) (in currency)		1.00

(17)Customer contract revenue

A. Customer contract revenue

	2023	2022
Animal Feeds	$ 7,073,166	$ 7,685,151
Food	6.826,594	7,046,141
Others	1,033,279	1,233,284
	$ 14,933,039	$ 15,964,576

B. Contract balance

Current contract liabilities	December 31, 2023	December 31, 2022
Advance sales receipts	$ 6,607	$ 7,062

Contract liabilities from the beginning of the year	2023	2022
Merchandise sales	$ 5,790	$ 11,689

(18)Other revenue

	2023	2022
Rent revenue	$ 12.909	$ 12,328
Investment revenue	247	691
Income from subsidies and tax refunds	3,178	4,714
Service revenue	3.238	3,597
Bad debt recovery income	—	1,105
Others revenue	15.164	8,616
	$ 34.736	$ 31,051

(19) Other benefits and losses

	2023	2022
Foreign currency exchange gains and losses	$ 7.927	$ 30,168
financial asset or financial liability at fair value through profit or loss	2,005	(3,100)
Gain on disposal of financial assets	—	—
Gain on disposal of property plant and equipment	686	399
Impairment loss on non-financial assets.	—	—
lease modify income	—	—
other	(1,597)	(4,780)
	$ 9,021	$ 22,687

(20)Financial costs

	2023	2022

Interest on bank loans	$ 59,060	$ 39,368
Interest on lease liabilities	1,760	743
Minus：Capitalization of interest	(2,036)	(1,244)
	$ 58,784	$ 38,867

(21)Financial Instruments

1. Credit risk

(a) Maximum exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Requirement credit risk comes from cash and cash equivalents, derivative financial instruments, and deposits in banks and financial institutions. There are also credit risks from wholesale and retail customers, including unpaid receivables and promised transaction.

The Company's customers is significantly concentrated in a few customers. In 2023 and 2022, a small number of companies accounted for 36.6% and 36.4% of invoices receivable, respectively, consisting of 3 customers.

2. Liquidity risk

The following table is an analysis of the contractual maturity date of financial liabilities, including estimated interest, but does not include the impact of the net agreement.

December 31, 2023

	Book value	cash flow	under one year	1~5 years	five years and above
non-derivative financial liability					
Short-term loans and finance bills	$ 1.798,847	$ 1,798,847	$ 1.798.847	$ －	$ －
Notes payable and account payable	409,268	409,268	409,268	－	－
Other payable	276,221	276,221	276,221	－	－
Lease liability	51,623	61,0111	25,771	35,240	－
Long-term loans	1,316,666	1,316,666	477,083	839,583	－
	$ 3,852,625	$ 3,862,013	$ 2.987,190	$ 874,823	$ －

December 31, 2022

	Book value	cash flow	under one year	1~5 years	five years and above

non-derivative financial liability					
Short-term loans and finance bills	$ 2, 005,096	$ 2, 005,096	$ 2, 005,096	$ —	$ —
Notespayable and account payable	443,880	433,880	433,880	—	—
Other payable	261,910	261,910	261,910	—	—
Lease liability	61,294	61,811	24,553	37,258	—
Long-term loans	1,320,000	1,320,000	503,333	816,667	—
	$ 4,082,180	$ 4,082,697	$ 3,228,772	$ 853,925	$ —

The Company does not expect the cash flow analysis on the due date to occur significantly earlier, or the actual amount will be significantly different.

3. Foreign currency risk

(a)The Company undertook transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arose.

	December 31, 2023			December 31, 2022		
	Foreign currency	exchange rate	New Taiwan dollar	Foreign currency	exchange rate	New Taiwan dollar
Financial asset						
Currency units						
USD	2,872	30.71	88,199	4,843	30.71	148,728
Financial liability						
Currency units						
USD	3,219	30.71	98,855	7,330	30.71	225,104

The Company's monetary items have a significant impact due to exchange rate fluctuations, and the total exchange gains and losses for 2023 and 2022 respectively are 7,927 thousand dollars and 30,168 thousand dollars.

(b)Sensitivity analysis

The Company's exchange rate risk mainly comes from foreign currency denominated cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, expenses payable and other payables, etc., resulting in foreign currency exchange gains and losses during conversion. In December 31,2023 and 2022, when the new Taiwan dollar depreciated or appreciated by 1% relative to the U.S. dollar, and all other factors remained unchanged, the net profit after tax in 2023 and 2022 would increase 107 thousand or decrease 763 thousand.

4. Interest rate analysis

The Company's analysis method for floating interest rate liabilities assumes that the amount of liabilities out of circulation at the reporting date is in circulation throughout the year. The rate of change used by the company when reporting interest rates internally to key management is an increase or decrease of 1% in interest rates, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If interest rates increase or decrease by 1% on the reporting date, and all other variables remain unchanged, the company’s net profit for 2023 and 2022 will decrease or increase by 31,671 thousand and 33,864 thousand, mainly due to the company’s floating interest rate loan.

5. Fair value

A. Fair value and book amount

The management of the Company believes that the financial assets and financial liabilities measured by the Company's amortized cost in the financial statements are close to their fair value.

B. Fair value measurement

The determination of the fair value of the company's financial assets and financial liabilities is based on the following methods and assumptions:

i. The stocks of listed (counter) companies are financial assets and financial liabilities that have standard terms and conditions and are traded in an active market, and their fair values are determined with reference to market quotes.

ii. The fair value of stocks of unlisted (counter) companies without an active market is estimated by the market method, and the judgment is made with reference to recent fund-raising activities, evaluations of similar companies, company technological development, market conditions and other economic indicators.

iii. The fair value of other financial assets and financial liabilities is determined by the generally accepted evaluation model based on discounted cash flow analysis.

C. level of fair value

Level 1: Public quotation of the same asset or liability in an active market.

Level 2: Except for the public quotes included in the first level, the input parameters of assets or liabilities are directly or indirectly observable.

Level 3: Input parameters of assets or liabilities are not based on observable market data.

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Current Financial Assets at Fair Value through Profit or Loss	$ 4,349	$ －	$ －	$ 4,349
Current Financial Liabilities at Fair Value through Profit or Loss	－	(785)	－	(785)
	$ 4,349	$ (785)	$ －	$ 3,564
December 31, 2022				
Current Financial Assets at Fair Value through Profit or Loss	$ 4,053	$ －	$ 1,120	$ 4,543
Current Financial Liabilities at Fair Value through Profit or Loss	－	(2,490)	－	(2,490)
	$ 4,053	$ (2,490)	$ 1,120	$ 2,683

(a) Fair value evaluation for measuring financial instruments

Non hedge Derivative financial instruments

It is based on evaluation models that are widely accepted by market users, such as discount method and option pricing model. Forward foreign exchange contracts are usually evaluated based on the current forward exchange rate.

(b) Transfer between the first level and the second level

There was no transfer of the second-tier financial assets to the first-tier situation in 2023 and 2022.

(c) Reconciliation of Level 3 fair value measurements of financial assets

	2023	
	Financial Assets at Fair Value through Profit or Loss	合計
Balance, beginning of year	$ 1,120	$ 1,120
Purchases	(1,120	(1,120
Balance at December 31,2022	$ －	$ －

The Company’s policy to recognize the transfer into and out of fair value hierarchy levels is based on the event or changes in circumstances that caused the transfer.

D. Classification of Financial Instruments

	December 31, 2023	December 31, 2022
Financial assets		
Amortized cost		
Cash and Cash equivalents	$ 630,283	$ 806,371
Accounts receivable and notes receivable	1,946,433	2,104,682
other receivable	54.685	28,832
Refundable Deposits	11,325	12,546
financial asset at fair value through profit or loss	4.349	5,173
Financial liabilities		
financial liabilities at fair value through profit or loss	785	2,490
Amortized cost		
Short-term loans	1,798,847	2,005,096
Accounts payable and notes payable	409,268	433,880
other payable	276,221	261,910
Long-term loans	1,316,666	1,320,000
deposits received	1,562	1,656

(22)Financial risk management

The Company’s main financial instruments include accounts receivable and accounts payable. The Company’s corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze the exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

A. Market risk

The purpose of the company's financial derivative transactions is to avoid the risks of foreign currency net assets or net liabilities due to exchange rate or interest rate fluctuations, because the profits and losses arising from exchange rate and interest rate fluctuations will generally offset the profits and losses of hedging projects. Therefore, the market price risk should not be significant.

B. Credit risk

Financial assets are potentially affected by the company's counterparty's failure to perform contractual obligations. Financial assets with positive fair values at the balance sheet date are evaluated for credit risk. The Corporation only transacts with financial institutions and companies with good credit ratings. Therefore, no significant credit risk is anticipated.

C. Liquidity Risk

The company has obtained sufficient loan credit lines from financial institutions and the working capital is still sufficient to cover it, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

D. Cash flow risk from changes in interest rates

If the long-term and short-term bank borrowings undertaken by the company are debts with floating interest rates, changes in market interest rates will cause the effective interest rates of the long-term and short-term bank borrowings to change accordingly, which will cause fluctuations in future cash flows.

The company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates and using interest rate exchange contracts. The company regularly evaluates hedging activities to make them consistent with the interest rate view and established risk appetite to ensure that the most cost-effective hedging strategy is adopted.

(23)Capital risk management

The Company manages its capital to ensure its ability to continue as a going concern while maximizing the returns to shareholders. The capital structure of the Company consists of its net debt (loan after deduction of cash and cash equivalents) and equity. The Company is not subject to any externally imposed capital requirements.

7、RELATED PARTY TRANSACTION

A. Parent company and ultimate controller: The company is the ultimate controller of the company and its subsidiaries

B. Compensation of key management personnel

	2023	2022
Short-term employee benefits	$ 17,349	$ 20,105

Post-employment benefits	414	448
	$ 17,763	$ 20,553

C. Related Party Transactions

Company	Relationship
FWUSOW NEW INDUSTRY CO., LTD.	Subsidiaries
CHARMING FOOD INTERNATIONAL MARKETING CO., LTD.	Subsidiaries
WAN JI SHENG AGRICULTURAL TECHNOLOGY CO., LTD.	Subsidiaries
CENTRAL UNION OIL CORP.	Associates
CHIATON INTERNATIONAL CO., LTD.	Associates
CHIA FHA HSING AGRICULTURAL SCIENCE AND TECHNOLOGY CO., LTD.	Substantive Related Parties
CHIA YUH TRADING CO., LTD.	Substantive Related Parties
GOOD TASTE FOOD RESTAURANT CO., LTD.	Substantive Related Parties
CHIA FA INDUSTRY CO., LTD.	Substantive Related Parties
CHIA LI ENTERPRISE CO., LTD.	Substantive Related Parties
CHIA YOU ENTERPRISE CO., LTD.	Substantive Related Parties
Cing Yue Chen	Substantive Related Parties
Tsung Lin Hung	Substantive Related Parties
Jhuang Shang Wun	Substantive Related Parties
Hung Yao-Tung	Substantive Related Parties
Hung Yao-Chi"	Substantive Related Parties
Hung Wu Hsiu-Chin	Substantive Related Parties

D. The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

1. Net revenue

Related Parties	2023 Amount	2022 Amount
Subsidiaries	$ 843,585	$ 1,013,735
CENTRAL UNION OIL CORP.	3,190,853	3,090,055
Associates	2,239	1,345
Substantive Related Parties	36,866	50,122
	$ 4,073,543	$ 4,155,257

Prices and credit terms for such sales were similar to those given to third parties.

(a) Selling price: According to current prices and product individually negotiated.

(b) Payment terms: The average payment period is about 60~90 days, which is not significantly different from the general company.

2. Purchases

Related Parties	2023 Amount	2022 Amount
Subsidiaries	$ 51,246	$ 48,025
CENTRAL UNION OIL CORP.	482,029	268,860
Associates	—	902
Substantive Related Parties	3,605	46,849
	$ 536,880	$ 364,636

Prices and credit terms for such purchases were generally comparable to those given by other suppliers

(a) Purchase prices: According to current prices and product individually negotiated.

(b) Payment terms: The average payment period is about 15~30 days, which is not significantly different from the general company.

3. Receivables from related parties

Item	Company	December 31, 2023 Amount	December 31, 2022 Amount
Notes receivable	CHARMING FOOD	$ 253,995	$ 214,160
	WAN JI SHENG	—	46,659
	Substantive Related	—	454

	Parties		
		$ 253,995	$ 261,273
Accounts receivable	CHARMING FOOD	$ 39,730	$ 59,881
	WAN JI SHENG	55,311	43,586
	Subsidiaries	3,670	2,676
	CENTRAL UNION OIL CORP.	367,557	403,450
	Associates	—	618
	Substantive Related Parties	7,786	4,988
		474,054	515,199
Less: allowance for loss		(382)	(382)
NET		$ 473,672	$ 514,817

		December 31, 2022	December 31, 2021
Item	Company	Amount	Amount
Other receivable	FWUSOW NEW	$ 47	$ 55
	CHARMING FOOD	27,093	2,829
	WAN JI SHENG	3,611	—
	Associates	113	10,730
		$ 30,864	$ 13,614

4. Payables to related parties

		December 31, 2023	December 31, 2022
Item	Company	Amount	Amount
Accounts payable	Subsidiaries	$ 2,238	$ 7,066
	CENTRAL UNION OIL CORP.	11,659	6,114
	Substantive Related Parties	—	1,223
		$ 13,897	$ 14,403
Other payable	Subsidiaries	$ 677	$ 691
	Associates	1,590	5,830
	Substantive Related Parties	411	467
		$ 2,678	$ 6,988

5. Manufacturing expenses and Operating cost

Company	2023 Amount		2022 Amount	
Manufacturing expenses				
CENTRAL UNION	$	235,257	$	236,840
Substantive Related Parties		512		1,078
Operating cost－Other expenses				
Subsidiaries		10,163		9,807
Substantive Related Parties		5,079		4,754
	$	251,011	$	252,479

The above-mentioned processing fees and other expenses are the processing expenses of entrusting CENTRAL UNION OIL CORP. and CHIA FHA HSING, and the production and management expenses of seconded personnel from CHIA FHA HSING enterprises to engage in the production and management of compound feed. They are settled once a month and the payment period is one month.

6. Lease agreement

Related Party Categories	2023		2022	
Right-of-use asset				
Subsidiaries	$	—	$	359
Substantive Related Parties		2,828		4,182
	$	2,828	$	4,541

Related Party Categories	2023		2022	
Lease obligations				
Subsidiaries	$	—	$	364
Substantive Related Parties		3,071		4,326
	$	3,071	$	4,690
Interest expense				
Subsidiaries	$	5	$	8
Substantive Related Parties		40		54
	$	45	$	62

7. Non- operating income

	2023		2022	
Endorsement guarantee fee income				
Subsidiaries	$	5,489	$	6,201
Associates		482		359
Rent revenue				
Subsidiaries		538		538
Associates		54		418
Substantive Related Parties		114		131
	$	6,677	$	7,647

The company collects endorsement guarantee revenue from CHARMING FOOD INTERNATIONAL MARKETING CO., LTD., and FWUSOW NEW INDUSTRY CO., LTD., CHIA YUH TRADING CO., LTD. collect rental revenue according to the lease price, and CHARMING FOOD INTERNATIONAL MARKETING CO., LTD. collect technical guidance revenue according to the contract.

8. Consignment

	2023		2022	
Substantive Related Parties	Consignment	Commissions Expense	Consignment	Commissions Expense
Substantive Related Parties	$ 14,810	$ 250	$ 12,346	$ 255

The company entrusts CHIA YUH TRADING CO., LTD. to sell pet feed and supplies, and pay a commission of 2% each month based on the amount of the agency.

9. Acquisition/Disposal of property, plant and equipment

	Acquisition Price	
Related Party Categories	2023	2022
Substantive Related Parties Transportation Equipment	$ —	$ 232

10. The company endorses and guarantees information for related parties：Refer to Schedule 1.

8、Mortgage Assets

Item	Property	December 31, 2023	December 31, 202
Property, plant and equipment			

Land	Bank	$	311,563	$	311,563
Buildings, net	Bank		33,414		29,903
Machinery equipment, net	Bank		1,493		51
		$	346,470	$	341,517

9、Commitments And Contingent Liabilities

		December 31, 2023	December 31, 2022
A. The Company had outstanding usance letters of credit amounting to	USD	$ 13,672	$ 35,134
B. The balance of guaranteed bills issued for borrowing and developing letters of credit	NTD	4,760,000	4,060,000
	USD	20,000	24,000
C. Project payment payable	NTD	43,061	87,994
D. 4. Promissory notes	NTD	250,000	430,000
E. 5. Customs bond	NTD	20,000	20,000

10、Significant Losses From Disasters：NONE。

11、Significant Subsequent Events：NONE。

12、Others：

(1) Statement of labor, depreciation and amortization by function:

	2023			2022		
	Classified as Cost of Revenue	Classified as Operating Expenses	Total	Classified as Cost of Revenue	Classified as Operating Expenses	Total
Labor cost						
Salary and bonus	$ 147,683	$ 259,379	$ 407,062	$ 147,829	$ 264,119	$ 411,948
Labor and health insurance	16,152	25,348	41,500	15,766	25,591	41,357
Pension	7,017	11,867	18,884	7,018	12,382	19,400
Board compensation	—	19,694	19,694	—	21,112	21,112
Others	6,591	17,233	23,824	6,463	17,837	24,300
Depreciation-PPE	148,062	55,123	203,185	127,801	52,122	179,923
Depreciation-Biological assets	1,280	—	1,280	953	—	953
Amortization expense	238	7,637	7,875	—	900	900

Note 1: As of December 31, 2023 and 2021, the Company had 611 and 604 employees, respectively. There were two year 4 and 6 non-employee directors, respectively.

Note 2: Companies whose stocks have been listed on the stock exchange or listed on the stock counter trading center for over-the-counter trading should increase the disclosure of the following information:

(a) Average labor cost for the years ended December 31, 2023 and 2022 were NT$809 thousand and NT$831 thousand, respectively.

(b) Average salary and bonus for the years ended December 31, 2023 and 2022 were NT$671 thousand and NT$689 thousand, respectively.

(c) The average salary and bonus increased by 2.6% year over year.

(d) The company has established an audit committee

The Company did not have supervisors for the years ended December 31, 2023and 2022. Therefore, there was no compensation to the supervisor.

The Company’s salary and remuneration policy is as follows:

A. Directors and managers

(a) In accordance with Article 19 of the Company's articles of association, a salary and remuneration committee was set up. The committee was empowered to evaluate the salary and remuneration policies and systems of the Company's directors, independent directors and managers, and make recommendations to the board of directors for its decision-making reference.

(b) According to Article 26 of the company's articles of association, if the Company makes a profit during the year, it shall first make up the losses and allocate no more than 5% as directors' remuneration.

(c) The remuneration of directors, independent directors and managers, including cash remuneration, stock options, dividends, retirement benefits or severance payments, various allowances and other measures with substantial incentives; should refer to the usual level of payment in the industry and consider personal performance , The reasonableness of the relationship between the company's financial status and the Company's operating performance and future risks.

B. Employee

(a) The salary payment standard refers to the salary market, the Company's operating conditions and the organizational structure; and it is adjusted in a timely manner according to the market salary dynamics, the overall economic and industrial boom changes, and government laws and regulations.

(b) The salary and remuneration of employees are determined based on their academic experience, professional knowledge and technology, professional experience and personal performance, and there is no discrimination based on their gender, race, religion, political position, marital status, or membership of a trade union.

(c) The starting salaries of freshmen and foreign workers comply with local laws and regulations.

(d) According to Article 26 of the Company's articles of association, if the company makes a profit each year, it shall first make up for its losses and allocate 2% as employee compensation.

(e) The employee reward system aims at motivating employees. According to the production, business and profit goals set by the company, employees are assessed for their personal performance, and performance bonuses are issued. At the same time, year-end bonuses are issued based on profitability.

There is no difference between the actual allotted amount of employee compensation and director compensation in 2022 and the amount of employee compensation and director compensation recognized in the 2022 individual financial report.

The estimated amount of remuneration for employees and directors and supervisors of the company for 2023 is 27,572 thousand dollars, which is based on the deduction of pre-tax benefits before the distribution of employees and directors and supervisors' remuneration at a rate of 2% and no more than 5% for employee remuneration and directors' remuneration. Supervisors' remuneration shall be reported as operating costs or operating expenses for 2023. If there is a difference between the actual distribution amount and the estimated amount, it shall be treated as a change in accounting estimates, and the difference shall be recognized as the profit and loss for 2023.

13、Additional Disclosures

A. Following are the additional disclosures required by the Securities and Futures Bureau for the Company:

(1) Financings provided: NONE

(2) Endorsement/guarantee provided: Refer to Schedule 1

(3) Marketable securities held (excluding investments in subsidiaries and associates): Refer to Schedule 2

(4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: NONE

(5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: NONE

(6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: NONE

(7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: Refer to Schedule 3

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Refer to Schedule 4

(9) Information about the derivative financial instruments transaction: Refer to Chinese financial statements.

(10) Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in mainland China): Refer to Schedule 5

B. Information on investment in mainland China

(1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Refer to Schedule 6

(2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: NONE

(3) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes：NONE

C. Information of major shareholders

List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: NONE

14、<u>Operating Segments Information</u>

The Company has provided the operating segments disclosure in the consolidated financial statements.

Schedule 1 Endorsement for civilians
(Expressed in Thousands of New Taiwan Dollars,amount unless otherwise specified)
2023

Endorser	*Object of endorsement guarantee*		*Endorsement guarantee limit for a single enterprise (Note 3)*	*The highest endorsement guarantee balance for the current period*	*Endorsement guarantee balance at the end of the period (Note 5)*	*Actual spending amount (Note 6)*	*Amount of endorsement guaranteed by property*	*Ratio*	*Endorsement guarantee maximum limit*	*The parent company's endorsement guarantee to the subsidiary (Note 4)*	*Subsidiary company endorses the parent company (Note 4)*	*An endorsement guarantee to the mainland area (Note 4)*
	Name	*relationship (Note 2)*										
FWUSOW INDUSTRY	CHARMING FOOD INTERNATIONAL I	2	$ 906,959	$ 690,000	$ 690,000	$ 320,000	None	15.22%	$ 1,813,918	Y	—	—

Note 1: The parent company and its subsidiaries are coded as follows:

1. The parent company is coded "0".

2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above

Note 2: According to the "Guidelines Governing the Preparation of Financial Reports by Securities Issuers" issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares
3. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note3:The maximum amount endorsed guarantee is the total amount of the endorsement guarantee approved by the company's shareholders meeting.

The calculation is as follows:

1.External endorsements and guarantees made by the Company may not exceed 40% of the Company's net worth.(4,413,032*40%=1,765,213)
2.Endorsements and guarantees made by the Company to a single enterprise may not exceed 20% of the Company's net worth. (4,413,032*20%=882,606)

Note 4: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, and provision to the party in Mainland China.
Note 5: The responsibility of endorsements and guarantees is confirmed after the contract is signed and approved by the bank, and all the related events shall be accounted for in the ending balance.
Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Schedule 2 SITUATION OF HOLDING SECURITIES AT THE END OF THE PERIOD
(Expressed in Thousands of New Taiwan Dollars,amount unless otherwise specified)
2023

Holding company	*Types and names of securities*	*Relationship*	*Account*	*BALANCE IN YEAR ENDED*				
				Number of shares	*Book value*	*Shareholding ratio (%)*	*Market price*	*Note*
FWUSOW INDUSTRY CO., LTD.	Stock - IBF FINANICAL HOLDINGS CO.,LTD.	–	Current Financial Assets at Fair Value through Profit or Loss	183,690	2,250		2,250	
	Stock - INNOLUX CORPORATION	–	Current Financial Assets at Fair Value through Profit or Loss	8,126	116		116	
	Fund - CATHAY FLOBAL RESOURCES FUND TWD	–	Current Financial Assets at Fair Value through Profit or Loss	300,000	1,983		1,983	
	Subtotal				4,349		4,349	
	Stock - MITHRA BIOINDUSTRY CO.,LTD.	–	Current Financial Assets at Fair Value through Profit or Loss	76,518	–		–	
	Stock - RICE TECHNOLOGY COMPANY	–	Current Financial Assets at Fair Value through Profit or Loss	310,000	–		–	
	Stock - HUA-JIE (TAIWAN) CORP.	–	Current Financial Assets at Fair Value through Profit or Loss	822,646	–		–	*(Note 2)*
	Stock - PROMOS TECHNOLOGIES INC.	–	Current Financial Assets at Fair Value through Profit or Loss	30	–		–	
	Subtotal				–		–	

Note 1: The numbers filled in for market value are as follows:
(1) Where there is a quoted market price, the fair value is based on the closing price at the balance sheet date, the fair value of open-end funds is based on the net asset value at the balance sheet date.
(2) Where there is no quoted market price,Since there is no active market transaction quotation, no fair value can be referred to and liquidity is very low, the book amount is evaluated as 0 since the application of IFRS 9 at 2018.01.01.
Note2:Preference share

Schedule 3 The amount of purchases and sales with related parties reaches 100 million New Taiwan dollars or more than 20% of the paid-in capital
(Expressed in Thousands of New Taiwan Dollars,amount unless otherwise specified)

2023 \

Purchasing and sales company	*Trading partners*	*Relationship*	*Transaction situation*				*reasons why trading conditions are different from ordinary trading*		*Notes and accounts receivable (payable)*	
			Purchase and sales	*Amount*	*ratio(%)*	*Credit period*	*unit price*	*Credit period*	*Balance*	*ratio(%)*
FWUSOW INDUSTRY CO., LTD.	CENTRAL UNION OIL CORP.	Net investment accounted for using equity method	Sales	$ 3,190,853	21.4%	D/A 60	—	—	A/R $ 367,557	18.8%
			Purchase	482,029	3.8%				A/P (11,659)	-2.8%
	CHARMING FOOD INTERNATIONAL MARKETING CO., LTD.	Subsidiary	Sales	$ 568,467	3.8%	D/A120	—	—	N/R $ 253,995	13.0%
									A/R 39,730	2.0%
	WANJISHENG AGRICULTURAL TECHNOLOGY CO.,	Subsidiary	Sales	$ 233,328	1.6%	D/A120			N/R -	
									A/R 55,311	2.8%

Schedule 4 Receivables from related parties amount to NT$100 million or more than 20% of the paid-in capital
(Expressed in Thousands of New Taiwan Dollars,amount unless otherwise specified)
2023

Company with accounts receivable	***Trading partners***	***Relationship***	***Balance of accounts receivable from related parties***		***Turnover***	***Overdue amounts due from related parties***		***Receivable amount of money due from related party***	***Provision of allowance for loss amount***
						Amount	***Processing method***		
FWUSOW INDUSTRY CO., LTD.	CENTRAL UNION OIL CORP.	Net investment accounted for using equity	A/R	$ 367,557	8.3	—	—	$ 367,557	$ 382
FWUSOW INDUSTRY CO., LTD.	CHARMING FOOD INTERNATIONAL MARKETING CO., LTD.	Subsidiary	N/R A/R O/R	$ 253,995 39,730 27,093	2.0	—	—	$ 253,995 11,608 15,614	—

Schedule 5 DETAILS OF INVESTEE (EXCEPT FOR CHINESE MAINLAND INVESTEE)
(Expressed in Thousands of New Taiwan Dollars,amount unless otherwise specified)

2023

Investor	*Investee*	*Area*	*Service Items*	*Original investment amount*		*Year ended of 2020*			*Current profit(loss) of investee*	*Net investment profit(loss)*	*Note*
				Year ended of 2020	*Year ended of 2019*	*Number of shares*	*Ratio(%)*	*Book value*			
FWUSOW INDUSTRY CO., LTD.	FWUSOW NEW INDUSTRY CO., LTD.	No.36-1, Datong St., Shalu Dist., Taichung City 433103, Taiwan (R.O.C.)	Residence and Buildings Lease Construction and Development, Wholesale of Edible Oil	$ 217,854	$ 217,854	5,473,703	99.07	$ 174,529	$ 3,339	$ 3,301	Subsidiary company
	ZILLION INVESTMENT CO.	LEVEL2. LOTEMAU CENTRE, VAEA STREET,APIA, SAMOA.	Reinvestment Chinese Mainland Investment	USD 12,585,000	USD 12,585,000	12,585,000	85.70	120,598	128,628	2,054	Subsidiary company
	CHARMING FOOD INTERNATIONAL MARKETING CO., LTD.	No.33, Datong St., Shalu Dist., Taichung City 433103, Taiwan (R.O.C.)	Canned, Frozen, Dehydrated Food Manufacturing, Animal Husbandry	291,000	291,000	29,100,000	72.75	(207,437)	64,799	47,130	Subsidiary company
	YI ZAI HOLDING CO.	2nd Floor, Building B, SNPF Plaza, Savalalo, Apia, Samoa.	Reinvestment Chinese Mainland Investment Industry	USD 183,000	USD 183,000	183,000	100.00	5,573	124	124	Subsidiary company
	WANJISHENG AGRICULTURAL TECHNOLOGY CO.,	No.45, Shatian Rd., Shalu Dist., Taichung City 433518, Taiwan (R.O.C.)	Cattle, Animal Husbandry, Livestock Farming	197,410	197,410.00	19,741,000	98.71	218,255	14,593	14,404	Subsidiary company
	CENTRAL UNION OIL CORP.	No.1-8, Beiti Rd., Cingshuei Dist., Taichung City 436455, Taiwan (R.O.C.)	Oil Processing	197,232	197,232	19,399,028	32.33	305,913	160,645	51,939	Associates
	CHIATON INTERNATIONAL CO., LTD.	No.21-6, Fazihtou, Syuejia Dist., Tainan City 726006, Taiwan (R.O.C.)	Fresh Fish Wholesale Industry Retail Industry	16,125	16,125	3,562,501	37.50	79,047	33,939	12,727	Associates
	Top International Co., Ltd.	1st Floor, No. 91-3, Yizhu Village, Yizhu Township, Chiayi County	Canned, Frozen, Dehydrated Food Manufacturing	6,720	1,120	672,000	21.88	6,689	(36)	(31)	Associates

Schedule 6 DETAILS OF INVEST IN CHINESE MAINLAND

(Expressed in Thousands of New Taiwan Dollars, amount unless otherwise specified)

2023

Investee	*Service Items*	*Paid-in Capital*	*Cumulative investment amount remitted from Taiwan at the beginning of the period*	*Investment amount remitted or recovered in the current period*		*Cumulative investment amount remitted from Taiwan at the end of the period*	*Current profit(loss) of investee*	*The company's direct or indirect investment shareholding ratio*	*Net investment profit(loss)*	*Investment book value*	*Investment income has been repatriated as of the current period*
				Export	*Withdraw*						
XIAMEN FWUSOW INDUSTRY CO., LTD.	Livestock Farming 、Prepared Animal Feeds Manufacturing	USD 12,585,000	$ 309,281	—	—	$ 309,281	$ 2,397	85.70%	$ 2,054	$ 128,628	—
XIAMEN FWUSOW TRADING CO., LTD	Wholesale and import and export of pet food, supplies and equipment	USD 140,000	$ 5,476	—	—	$ 5,476	$ 124	100%	$ 124	$ 5,573	—

Accumulated Outflow for Investments in Mainland China as of December 31, 2020	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on Investments
$ 314,757	USD 10,922,250	$ 2,,720,876