



# FWUSOW INDUSTRY CO., LTD.

2024 Annual Report

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Annual Report Website: <http://mops.twse.com.tw>  
<http://www.fwusow.com.tw>

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II. Address and telephone numbers of headquarters, branches, and factories

Headquarters (Branches)	Address	Telephone No.
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Shalu Plant	No. 45, Shatian Road, Shalu District, Taichung City	(04) 2636-2111
Food Factory	No. 98, Ziqiang Road, Wuqi District, Taichung City	(04) 2639-3111
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Taipei Business Center	8F, No. 145, Wugong Road, New Taipei Industrial Park, Wugu District, New Taipei City	(02) 2298-0601

III. Stock Transfer Agent:

Name: KGI Securities Co. LTD.

Address: 5F, No. 2, Sec. 1, Chongqing S. Road, Zhongzheng District, Taipei City

Website: <http://www.kgiworld.com.tw>

Telephone No.: (02) 2389-2999

IV. Name of CPAs for the most recent fiscal year:

Name of CPA firm: Soloman & Co., CPAs

CPAs: Chen Tzu-Yu, Chang Chun-Fu

Address: 32F, No. 787, Zhongming S. Road, South District, Taichung City

Telephone No.: (04) 2261-2200

Website: <http://www.slmcpas.com.tw>

V. Name of the exchange where the Company's securities are traded offshore and the means by which the information of the offshore securities is accessed: None.

VI. Company website: <http://www.fwusow.com.tw>

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## One. Report to Shareholders

Dear shareholders and our distinguished guests:

Thank you for taking the time to attend our shareholders' meeting. On behalf of all employees, I would like to express our appreciation and gratitude.

The extreme climate has caused significant losses of property, which is why the public needs to pay close attention to the impacts of severe droughts, frequent fires, and water scarcity. The import of raw materials for grains may be affected by high temperatures, floods and droughts in the places of production, and affect production volume and lead to an increase in prices and transportation costs. In addition, geopolitical risks and the war between Russia and Ukraine continue to lead to fluctuations in raw material prices, which also increase our operating costs.

After organizational restructuring and human resource allocation adjustment, we have been able to stabilize our operations. We have always insisted on "ethical management" and are committed to integrating upstream and downstream channels and expanding B2C channels. We also take a proactive approach in advancing into the distribution channels such as convenience stores and supermarkets, with the aim to enhance product value. In terms of the integration of market channels, we have set up the "Fwusow Pet+" e-commerce platform to provide consumers with a more complete shopping experience. In addition, we have joined forces with FamilyMart convenience stores to open the "FamilyMart - Fwusow Store", creating a new shopping experience for consumers while demonstrating the results of the agri-food cycle. In 2024, consolidated operating revenue totaled NTD 14,329,750 thousand, a decrease of 12.2% from 2023, and net profit after tax totaled NTD 181,339 thousand.

In terms of operations management, we have introduced AI to predict the production processes and set up a monitoring system, a precise feeding platform and an automated cooking oil dispensing system. We are gradually upgrading the production equipment and efficiency, including adding an aquatic feed pellet mill, a second production line for pet food, Lukang biotech fermentation line, drying equipment, and robotic arms. In particular, the Taichung Port Plant was built with low-carbon building materials and curtain walls, and was awarded the first Low-Carbon Building Label Level 1+ by the Ministry of the Interior. In addition, the Company has also joined forces with the National Taipei University of Technology to implement ESG planning, promote equipment energy saving and air quality improvement plans.

We also keep extending the scope of our GHG inventory to our subsidiaries, and continue to promote carbon reduction. At the same time, we expand the carbon footprint labeling of Fwusow products from 22 items to 27 items, striving to fulfill our responsibility to the environment from raw materials to finished products.

In terms of social engagement, the Company continues to organize various public welfare activities, including organizing the 10th Cerear Elementary School's Table Tennis Tournament, sponsoring Family Run Fun Day for three consecutive years, as well as other various social welfare groups. We also arrange for student visits and internships. At the end of 2024, we worked with the Department of Civil Engineering, National Taiwan University, the Taiwan Forestry Bureau, and the woodworking shop to donate the "Wooden Footbridge" next to the Xitou Nature Education Area, increasing the connection of the nearby trails, and demonstrating our corporate social responsibility.

In 2024, we won a number of awards in Taiwan and abroad, including the "Taiwan Corporate Sustainability Award (TCSA)" Platinum Award for the ESG report for the first time, "Global Corporate Sustainability Award (GCSA)" Bronze Award for English report, and the "Sustainable Environment Award (SGS)" for environmental aspects. We were selected as one of the top 100 companies in terms of carbon competitiveness by BusinessWeekly Magazine for three consecutive years. In addition, we won the "Asia Pacific Enterprise Awards (APEA) - Excellent Enterprise Leader Award", and the "Happy Enterprise" Gold Award from 1111 Job Bank for five consecutive years.

Looking to the future, in the face of an increasingly challenging external environment, we will continue to expand our agri-food circular economy system through operational adjustments and transformation. We will uphold our mission of "providing healthy and safe food to all people" in order to achieve the goal of sustainable development.

I wish you good health! Best Regards,

FWUSOW INDUSTRY CO., LTD.

Chairman Hung Yao-Kun

## I. 2024 Business Report

### (I) Business implementation overview

Unit: NTD thousand

Item	2024	2023	Increase (Decrease) %
Operating revenue, net	14,329,750	16,313,623	(12.2)
Operating profit	112,076	357,158	(68.6)
Income before tax	138,848	390,168	(64.4)
Net income after tax	181,339	312,570	(42.0)

### (II) Analysis of financial income and expenditure, and profitability:

#### 1. Financial income and expenditure

- (1) Interest revenue in 2024 was NTD 7,749 thousand, which was interest revenue from demand deposits.
- (2) Interest expenditure was NTD 86,621 thousand in 2024, which was interest expense for borrowings and lease liabilities.

#### 2. Analysis of profitability

Item	2024	2023
Return on assets (%)	1.81	3.07
Return on equity (%)	3.98	6.89
Ratio of net income before tax to paid-in capital (%)	4.06	11.76
Net profit margin (%)	1.27	1.92
Earnings per share (NTD)	0.53	0.94

(III) Execution of operating budget: No public financial forecast prepared.

### (IV) R&D Status

The Company continues to deepen its R&D efforts by actively participating in domestic and foreign exhibitions, industry conferences, and cross-disciplinary exchanges to fully grasp the global consumer market trends and development trends. By combining our core technology advantages, we have established a comprehensive product development evaluation mechanism, from market potential identification, product testing to quality verification. Furthermore, we have set up a rigorous R&D process to ensure the launch of innovative products that are market-competitive to meet the increasingly diverse needs of consumers. The important R&D results of the current year include:

1. Develop various strains of bacteria and expand the scope of application to significantly increase the added value of products and market competitiveness.
2. The Company has invested in the construction of advanced product lines and the establishment of a systematic R&D platform that integrates product development, process optimization and quality management. In doing this, the schedule of new product development is accelerated, and the stability of product quality assured.
3. In response to changes in consumer patterns, various small package products are developed to provide consumers with more convenient and exquisite product choices.
4. Strengthen the development of an agri-food circular economy, maximize resource value, optimize production efficiency, and reduce environmental impact to achieve the goal of sustainable development.
5. The Company has introduced AI and IoT technologies to build a smart monitoring system, realize real-time monitoring and data analysis of production and farming, improve operational efficiency and reduce production costs.

Looking to the future, we will continue to invest R&D resources, strengthen innovative technology development, and actively deploy smart manufacturing and sustainable development, to inject the momentum of continuous growth for the Company.

## II. Summary of 2025 operational plan:

### (I) Management approach:

With the influence of multiple factors such as global inflationary pressure, geopolitical conflicts in the Middle East, climate change, cross-strait political tensions, and energy price fluctuations, global economic growth is facing the challenge of slowing down. In response to this complexity, the Company will adopt a flexible and innovative business strategy to actively optimize organizational performance.

Internally, we will strengthen cross-departmental collaboration, optimize the organizational structure, and flexibly adjust our operational strategies to improve team efficiency. In terms of production, we will continue to reorganize factories, add production lines and optimize processes, while introducing AI technology and energy management systems to improve production efficiency and energy utilization. In terms of sales, we keep on developing innovative products, deepen B2C channel deployment, actively seek opportunities for collaboration with other brands, and enhance corporate brand value and market competitiveness.

### (II) Operations strategy:

1. Implemented organizational restructuring and staff rotation to cultivate comprehensive talent, strengthening internal operational efficiency and cross-departmental collaboration.
2. Strengthen the industry-academia cooperation relationship, leverage core technology advantages, promote innovative product development, and promote the bilateral development of technology and the market.
3. Expand the scope of GHG inventory, add product carbon footprint verification items, replace outdated equipment with high-efficiency equipment, and promote low-carbon and energy-saving transformation.
4. Strengthen the sustainable development and risk management system to reduce operational risks and ensure the Company's operational resilience in uncertain environments.
5. Gradually introduce AI technology into the production process, achieve full automation and smart monitoring, improve production efficiency, and ensure the operation safety of the factory.
6. Establish the goals and strategies for sustainable development in different stages, strengthen the disclosure of sustainable information, actively respond to the domestic and overseas ESG trends, and improve corporate social responsibility practices.

### (III) Projected sales and the basis:

Based on the market changes and sales performance in recent years, the sales volume in 2025 is projected to be 706,486 tons.

## III. Future development strategy of the Company:

(I) Pay close attention to changes in the global market of major grains and the progress of production site collection, implement a diversification procurement strategy, effectively control procurement risks, and ensure a stable supply chain.

(II) Strengthen industry and academia collaboration and R&D contact, focus on innovative product and service development, and improve market competitiveness and brand value.

(III) Use data analysis and smart monitoring technology to precisely grasp production efficiency and operating conditions, optimize decision-making and resource allocation, and improve overall operating efficiency.

(IV) Continue to promote sustainable procurement, procurement, including the purchase of soybean and corn from the Soy Sustainability Assurance Protocol (SSAP), RSPO-certified palm oil, FSC-certified cartons and energy-saving equipment, while also working with suppliers to implement the sustainable procurement concept.

(V) Strengthen internal control and risk identification mechanisms, flexibly respond to changes in the market and external environment, and ensure the Company's sustainability.

#### IV. Impact of external competition, regulatory environment, and general business environment:

In 2024, the world faced challenges, including climate change, geopolitical tensions, fluctuation of grain prices, and the U.S. presidential election. As well as these, the implementation of carbon fee policies and the IFRS Sustainability Disclosure Standards will come into effect, making the business environment even more complicated. The Company actively adjusts its business strategy, optimizes its organizational structure, and leverages the strengths of its team. At the same time, the Company will continue to develop innovative products and expand consumer channels in order to respond to changes in market demand and ensure that the annual business goals are achieved.

In terms of production, we will continue to reorganize factories, upgrade equipment, and production lines, and combine AI smart monitoring technology and add new product lines to comprehensively improve product quality and production efficiency. In terms of sales strategies, we will be committed to actively developing new products, optimizing the consumption model and strengthening the B2C channel deployment, elevating market competitiveness through working with different industries. Meanwhile, we will strengthen food safety management to cater to the needs of the consumer market.

In terms of sustainable development, we will closely monitor changes in relevant laws and regulations and strengthen personnel training, adjust countermeasures in a timely manner, improve the transparency of sustainability information disclosure, and proactively promote carbon reduction actions. At Fwusow, we relentlessly promote the sustainability concept to our employees, and incorporate it into daily operations. Last year, we won the Taiwan Corporate Sustainability Award (TCSA) Platinum Award for the ESG report, which affirmed our efforts in ESG promotion. In the future, the Company will continue to exert its influence and promote the joint response of its supply chain partners to foster the sustainability concepts in the industry.

In the face of energy transformation, inflationary pressure, political and economic instability, and resource shortage, we continue to strengthen risk identification and management, adjust our flexible strategy and decision-making mechanism, and improve operational efficiency through digital tools and process automation. In addition, we will strengthen the training of employees' skills and innovative thinking, promote cross-disciplinary collaboration, and facilitate internal and external collaborative innovation to respond to the rapid change of the market environment.

Sustainable development has become the core of business operations. We will incorporate ESG strategies into our daily operations to achieve the goal of sustainable development. In addition, we will exert our corporate influence to promote the industry's joint response, and work together to build a sustainable supply chain and achieve the goal of sustainable operations.



## Two. Corporate Governance Report

### I. Information on Directors and managers

#### (I) Information on Directors

##### 1. Information of Directors:

March 25, 2025

Title	Nationality or place of registration	Name	Gender and age	Date of election	Term of office	Date of initial appointment	Shareholding at the time of election		Current shares held		Current shares held by spouse and underage children		Shares held in the name of others		Principal experience/educational background	Positions held in the Company and in other companies	Other supervisors, directors, or supervisors who are spouses or relatives within the second degree of kinship of the Company's directors or supervisors			Remark
							No. of shares	Shareholding ratio %	No. of shares	Shareholding ratio %	No. of shares	Shareholding ratio %	No. of shares	Shareholding ratio			Title	Name	Relationship	
Director	Republic of China	Hua-Shao Investment Co., Ltd.		2023/06/09	3 years	2002/06/07	4,982,667	1.55	7,795,347	2.28	0	0	0	0	-	-	None	None	None	
		Representative Hung Yao-Kun	Male 70-80	-	3 years	1999/05/06	-	-	14,662,941	4.29	753,022	0.22	0	0	Department of Business Administration, Komazawa University Master, Tamkang University Chairman, CICD Chairman, Taiwan Vegetable Oil Manufacturers Association Taiwan Feed Industry Association Chairman	Chairman, the Company Chairman, Central Union Oil Corp. Chairman, Hua-Shao Investment Co., Ltd. Director, Fwusow New Industry Co., Ltd. Member of the Company's Sustainable Development Committee	None	None	None	
Director	Republic of China	Hung Yao-Hsin	Male 61-70	2023/06/09	3 years	2005/06/03	7,094,976	2.20	7,527,059	2.20	145,037	0.04	0	0	Komazawa University Executive Deputy General Manager, the Company Chairman, Taiwan Barley Products Industry Association	Vice Chairman, the Company Chairman, Charming Food International Marketing Co., Ltd. Director, Central Union Oil Corp.	None	None	None	
Director	Republic of China	Hung Yao-Chih	Male 61-70	2023/06/09	3 years	2005/06/03	8,447,292	2.62	8,961,731	2.62	88,296	0.03	0	0	Master of Science, Eastern Michigan University	Assistant General Manager, the Company Chairman, Fwusow New Industry Co., Ltd.	None	None	None	
Director	Republic of China	Hung Chun-Lin	Male 70-80	2023/06/09	3 years	1999/05/06	5,629,855	1.75	5,972,712	1.75	2,410,364	0.71	0	0	Commercial Senior High School	Chairman, Wan-Ji-Sheng Agricultural Technology Co., Ltd. Chairman, Qia-Fa-Xing Agricultural Technology Co., Ltd.	None	None	None	
Director	Republic of China	Hung Yao-Chi	Male 61-70	2023/06/09	3 years	1996/04/17	546,406	0.17	579,681	0.17	0	0	0	0	Department of Livestock, Tunghai University Supervisor, Fwusow Industry Co., Ltd. Remuneration Committee member, Zhong-Lian Cargo Transportation Co., Ltd.	Supervisor, Fwusow New Industry Co., Ltd.	None	None	None	
Director	Republic of China	Hung Chiang-Ming	Female 51-60	2023/06/09	3 years	2023/06/09	2,900,000	0.900	3,076,610	0.90	0	0	0	0	Academic background: Bachelor Degree in Economics, California State University of Long Beach. Experience: Office Manager & Staff Gemologist, International Gemological Institute (I.G.I.), Los Angeles	Director, Qia-Fa-Xing Agricultural Technology Co., Ltd. Director, Qi-Zhi Investment Co., Ltd.	None	None	None	

Independent Director	Republic of China	Fang Ming-Tao	Male 70-80	2023/06/09	3 years	2023/06/09	0	0	0	0	0	0	0	0	0	Academic background: LL.M, New York University, USA M.C.L., The George Washington University Experience: Senior Specialist, Securities Management Committee, Ministry of Finance Executive Deputy General Manager, Capital Securities Corporation General Manager, Taiwan Branch, Shearson Lehman Brothers, Inc. Chairman, Shuangxi Paper Co., Ltd. Professional certification: Bar Certification	Attorney-at-Law of Chongfa International Commercial Law Office Independent Director of Chi Sheng Pharma & Biotech Co., Ltd. Independent Director of Realy Development & Construction Corp. The Company's Audit Committee member The Company's Remuneration Committee member Member of the Company's Sustainable Development Committee Member of the Company's Risk Management Committee	None	None	None	
Independent Director	Republic of China	Yu Pi	Female 70-80	2023/06/09	3 years	2023/06/09	0	0	0	0	0	0	0	0	0	Academic background: PhD, Department of Food Science and Technology, National Chung Hsing University Department of Agricultural Production, National Chung Hsing University Experience: Professor and Director, Department of Animal Science, National Chung Hsing University Chairman, WPSA	Honorary Distinguished Professor, part-time Professor, National Chung Hsing University Impartiality Commission Member, Traceability Certification Organization of ATRI Member, Written Examination Committee for the Manufacture or Import of Feeds and Feed Additives The Company's Audit Committee member The Company's Remuneration Committee member Member of the Company's Sustainable Development Committee Member of the Company's Risk Management Committee	None	None	None	
Independent Director	Republic of China	Huang Shou-Tso	Male 70-80	2023/09/27	3 years	2023/06/09	0	0	0	0	0	0	0	0	0	Academic background: Department of Finance, National Chengchi University Master and Doctor, Department of Management Science, Tamkang University Experience: General Manager, Taiwan Financial Holdings Co., Ltd. Director, Bank of Taiwan Director, Taipei Exchange Professional certification: ROC CPA Certificate	The Company's Audit Committee member The Company's Remuneration Committee member Member of the Company's Risk Management Committee	None	None	None	

2. Major shareholders of corporate shareholders:

March 25, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders
Hua-Shao Investment Co., Ltd.	Hung Yao-Kun (78.03%), Shen Kuei-Hsiang (14.64%)

3. Major shareholders of corporate shareholders that are major shareholders of a legal entity: None.

4. Disclosure of professional qualifications and independence of directors and supervisors:

Name	Professional qualification and experience	Independence	Number name of other public companies in which the individual is concurrently serving as an independent director
Legal Representative of Hua-Shao Investment Co., Ltd.: Hung Yao-Kun	1. Was Chairman of CICD; Chairman of Taiwan Vegetable Oil Manufacturers Association; Chairman of Taiwan Feed Industry Association. 2. Current Chairman of Central Union Oil Corp. and Chairman of Hua-Shao Investment Co., Ltd. 3. With extensive practical experience in business and management.	1. The Company's chairman 2. Not a spouse or relative within the second degree of kinship of another director. 3. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0
Director: Hung Yao-Hsin	1. Current Director of the existing domestic oil processing plant - Central Union Oil Corp. 2. With practical experience in finance, accounting, and management.	1. The Company's Vice Chairman 2. Not a spouse or relative within the second degree of kinship of another director. 3. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0
Director: Hung Yao-Chih	1. Current Chairman of Fwusow New Industry Co., Ltd. a commerce marketing company. 2. With practical experience in business management and finance.	1. The Company's Assistant General Manager. 2. Not a spouse or relative within the second degree of kinship of another director. 3. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0
Director: Hung Chun-Lin	1. Current Chairman of Qia-Fa-Xing Agricultural Technology Co., Ltd.; Chairman, Wan-Ji-Sheng Agricultural Technology Co., Ltd. 2. With practical experience in business management.	1. Not a spouse or relative within the second degree of kinship of another director. 2. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0
Director: Hung Chiang-Ming	1. Current chairman of Qia-Fa-Xing Agricultural Technology Co., Ltd; Director of Qi-Zhi Investment Co., Ltd. 2. With practical experience in investment, finance and accounting.	1. Not a spouse or relative within the second degree of kinship of another director. 2. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0
Director: Hung Yao-Chi	1. Was remuneration Committee member of Zhong-Lian Cargo Transportation Co., Ltd.; current Supervisor of Fwusow New Industry Co., Ltd. 2. With professional knowledge of the agricultural and meat industry and practical experience in business management.	1. Not a spouse or relative within the second degree of kinship of another director. 2. Not a spouse or a relative of equivalent positions to a company's chairman, general manager, or other equivalent positions.	0

Independent Director: Fang Ming-Tao	<p>1. Was Senior Specialist of Securities Management Committee, Ministry of Finance; General Manager of Taiwan Branch, Shearson Lehman Brothers, Inc.; Chairman of Shuangxi Paper Co., Ltd.</p> <p>2. Current Attorney-at-Law of Chongfa International Commercial Law Office; Independent Director of Chi Sheng Pharma &amp; Biotech Co., Ltd.; Independent Director of Realy Development &amp; Construction Corp.; Supervisor of Red Cross Society of the Republic of China.</p> <p>3. Professional certification: Bar Certification.</p> <p>4. With extensive academic and practical experience in business, law, finance and accounting.</p>	<p>1. Not a director, supervisor, or employee of the Company or its spouse, or an employee of any affiliate of the Company.</p> <p>2. The person and his/her spouse do not hold the Company's shares.</p> <p>3. The person and his/her spouse have not received any commercial, legal, financial, accounting services from the Company or its affiliates in the last 2 years.</p>	2
Independent Director: Yu Pi	<p>1. Was Experience: Professor and Director, Department of Animal Science, National Chung Hsing University; Chairman of WPSA; Director of ATRI.</p> <p>2. Current Honorary Distinguished Professor of National Chung Hsing University; Impartiality Commission Member of Traceability Certification Organization of ATRI; member of Written Examination Committee for the Manufacture or Import of Feeds and Feed Additives.</p> <p>3. With professional knowledge and practical experience in the agricultural and meat industry.</p>	<p>1. Not a director, supervisor, or employee of the Company or its spouse, or an employee of any affiliate of the Company.</p> <p>2. The person and his/her spouse do not hold the Company's shares.</p> <p>3. The person and his/her spouse have not received any commercial, legal, financial, accounting services from the Company or its affiliates in the last 2 years.</p>	0
Independent Director: Huang Shou-Tso	<p>1. Was General Manager of Taiwan Financial Holding Co., Ltd.; Director of Bank of Taiwan; Director of Taipei Exchange.</p> <p>2. Professional certification: ROC CPA Certificate.</p> <p>3. With extensive practical experience in business, finance and accounting.</p>	<p>1. Not a director, supervisor, or employee of the Company or its spouse, or an employee of any affiliate of the Company.</p> <p>2. The person and his/her spouse do not hold the Company's shares.</p> <p>3. The person and his/her spouse have not received any commercial, legal, financial, accounting services from the Company or its affiliates in the last 2 years.</p>	0

5. The Board's diversity policy and specific management and implementation of the policy:

(1) Diversification of the Board of Directors:

Article 18 of the Company's "Corporate Governance Best Practice Principles" (competence of the Board of Directors as a whole) set forth:

The composition of the Board of Directors shall be determined by taking diversity into account. In addition to the fact that it is advisable that directors who also serve as the Company's managers not account for more than one third of the total number of directors, the Board of Directors shall also adopt a policy on diversity based on the Company's business operations, business model and development needs. It is advisable that the policy include the following two criteria:

1. Basic criteria and values: Gender, age, nationality, and culture.

2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

The composition of the Board of Directors shall be based on gender equality, and the members shall have the necessary knowledge, skills and competencies to perform their duties. The members shall have the following abilities: Ability to make operational judgments; ability to perform accounting and financial analysis; ability to operate and manage; ability to manage crises; industry knowledge; knowledge of international markets; ability to lead; and ability to make decisions.

(2) Concrete management objectives:

The specific management objectives and achievement of the Company's diversity policy are as follows:

Management goals	Achievement
The number of independent directors reaches one-third of the total number of directors	Achieved
It is advisable that directors who also serve as managers not account for more than one-third of the total number of directors.	Achieved
At least one of the members should have accounting or financial expertise.	Achieved
The term of office of the independent directors does not exceed three terms	Achieved

(3) Implementation:

The term of office for the Company's directors is three years. The election of directors is based on the candidate nomination system, and the Company follows the Procedures for the Election of Directors and Corporate Governance Best Practice Principles to ensure the diversity and independence of the directors. The Company's Board of Directors currently consists of six directors and three independent directors, for a total of nine seats, with independent directors accounting for 33.33%. There are seven male directors, accounting for 77.78% of all directors; there are two female directors, accounting for 22.22% of all directors. The Board members have professional backgrounds in law, industry, finance and accounting, and have the ability to operate and manage; ability to lead and make decisions; ability to make operational judgments; ability to manage crises; ability to perform accounting and financial analysis; and industry knowledge, demonstrating the effect of complementarity.

The Board of Directors has the highest decision-making authority on the operation, strategic direction, and performance. In the "Rules of Procedure for Board Meetings", it is explicitly stated that when faced with conflicts of interest, the Board of Directors should adopt a conflict of interest approach, and the minutes of the meeting should be recorded in details. In 2024, there were no conflicts of interest for Board members. The Company implements the diversity policy of the Board of Directors in accordance with the "Corporate Governance Best Practice Principles" and conducts the "Board of Directors Performance Evaluation" every year. The evaluation results are used as a reference for the nomination of directors in the future. More than half of the Company's directors are not spouses or relatives within the second degree of kinship. The

Company ensures that its Board members possess the necessary knowledge, skills and competencies in order for them to perform duties. The Company arranges continuing education for directors and senior managers each year.

Implementation of the diversity policy for Board members

Name of director	Nationality	Gender	Age			Independent directors term of office less than 3 years	Industry experience					Professional competence					
			51-60 years old	61-70 years old	Over 71 years old		Agriculture, forestry, fishery and animal husbandry	Food	Securities consulting	Grain futures	Academic education	Business management	Lead and make decisions	Accounting	Finance	Economy	Law
Hung Yao-Kun	Republic of China	Male			V			V				V	V			V	
Hung Yao-Hsin	Republic of China	Male		V				V		V		V			V		
Hung Yao-Chih	Republic of China	Male		V				V				V			V		
Hung Chun-Lin	Republic of China	Male			V		V	V				V		V	V		
Hung Chiang-Ming	Republic of China	Female	V						V			V		V	V		
Hung Yao-Chi	Republic of China	Male		V			V	V				V		V	V		
Fang Ming-Tao	Republic of China	Male			V	V			V			V		V	V	V	V
Yu Pi	Republic of China	Female			V	V	V				V	V					
Huang Shou-Tso	Republic of China	Male			V	V			V			V		V	V	V	

## (II) Information on directors, general managers, deputy general managers, assistant general managers, heads of various departments and branches:

March 25, 2025

Title	Nationality	Name	Gender	Date of assumption of office	Shareholding		Shares held by spouse and underaged children		Shares held in the name of others		Principal experience/educational background	Positions held in other companies	Managers who are spouses or relatives within the second degree of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
General Manager	Republic of China	Chao Wen-Chiang	Male	2023/08/16	0	-	11,330	0	0	0	Chung Yuan Christian University	Director, Wan-Ji-Sheng Co., Ltd. Director, Charming Food International Marketing Co., Ltd. General Manager, Charming Food International Marketing Co., Ltd.	None	None	None	
Deputy General Manager	Republic of China	Tsai Chia-Kuang	Male	2017/02/01	59,410	0.02	0	0	0	0	National Taiwan Ocean University	None	None	None	None	2024/05/31 retired
Deputy General Manager	Republic of China	Yang Chun-Hsien	Male	2020/11/16	0	0	2,121	0	0	0	Master of Science in Science, National Yunlin University of Science and Technology	None	None	None	None	
Assistant General Manager	Republic of China	Hung Yao-Chih	Male	2012/08/01	8,961,731	2.62	88,296	0.03	0	0	Master of Science, Eastern Michigan University	Chairman, Fwusow New Industry Co., Ltd.	None	None	None	
Assistant General Manager	Republic of China	Wang Jen-Chih	Male	2015/01/01	0	0	0	0	0	0	Director, National Kaohsiung Ocean University	Director, Chiaton International Co., Ltd.	None	None	None	
Assistant General Manager	Republic of China	Lin Mao-Sheng	Male	2019/08/01	933	0	0	0	0	0	Asia Eastern University of Science and Technology	None	None	None	None	
Assistant General Manager	Republic of China	Hsu Pei-Yu	Female	2022/03/29	0	0	0	0	0	0	Master, National Chung Cheng University	None	None	None	None	
Assistant General Manager	Republic of China	Li Hsiao-Wen	Female	2023/10/11	0	0	0	0	0	0	National Chengchi University	None	None	None	None	
Assistant General Manager	Republic of China	Yang-Hsi-Chuan	Male	2024/01/03	0	0	0	0	0	0	Nan Kai University of Technology	None	None	None	None	
Assistant General Manager	Republic of China	Huang Cheng-Yun	Male	2025/03/01	49,495	0.01	0	0	0	0	National Pingtung University of Science and Technology	None	None	None	None	
Finance Manager	Republic of China	Tai Chen-Hui	Female	2019/03/22	0	0	0	0	0	0	Master, Tunghai University	Supervisor, Chiaton International Co., Ltd.	None	None	None	
Corporate Governance Officer				2021/06/29												

Note: The Company does not have the same General Manager and chairman, or spouses or relatives within the first degree of kinship.

## II. Remuneration paid to directors, supervisors, general manager and deputy general manager(s) in the most recent year

1-1. Remuneration to general directors and independent directors (names and remuneration methods shall be separately disclosed)

1-2. Remuneration to general directors and independent directors (the name of the director is disclosed in the remuneration scale table):

Unit: NTD thousand

Title	Name	Remuneration to directors								Total sum of A, B, C and D and their proportion to net income (%)		Remuneration received as company part-time employee								Total sum of A, B, C, D, E, F and G, and their proportion to net income (%)		Remuneration received from investees other than subsidiaries or parent company
		Remuneration (A)		Severance pay and pension (B)		Remuneration to directors (C)		Fees for services rendered (D)				Salaries, bonuses, and special allowances (E)		Pension (F)		Employee remuneration (G)						
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
																Cash amount	Stock amount	Cash amount	Stock amount			
Director (Note 1)	Hung Yao-Kun	0	0	0	0	11,228	11,228	1,440	2,160	12,668 6.99%	13,388 7.38%	7,028	7,028	0	0	0	0	0	0	19,697 10.86%	20,417 11.26%	None
Director	Hung Yao-Hsin																					
Director	Hung Yao-Chih																					
Director	Hung Chun-Lin																					
Director	Hung Chiang-Ming																					
Director	Hung Yao-Chi	0	0	0	0	0	0	2,160	2,160	2,160 1.19%	2,160 1.19%	0	0	0	0	0	0	0	0	2,160 1.19%	2,160 1.19%	None
Independent Director	Fang Ming-Tao																					
Independent Director	Yu Pi																					
Independent Director	Huang Shou-Tso																					

1. Please state the policy, system, standard and structure of the remuneration to independent directors, and the correlation to the amount of remuneration based on their responsibilities, risks, time invested and other factors:

The Board of Directors is authorized to determine the remuneration to directors and independent directors based on their participation in the Company's operations and their contribution and with reference to the usual remuneration level in the same industry.

2. Other than the disclosure in the above table, remuneration to the Company's directors for providing services (such as serving as a consultant to the parent company/all companies included in the financial reports/investees who are not employees) in the most recent year: None

Note 1: Legal Representative of Hua-Shao Investment Co., Ltd.



### 1-3. Remuneration Scale Table for Directors

Remuneration level of each director of the Company	Name of director			
	Total remuneration (A+B+C+D)		Total remuneration (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than NTD 1,000,000				
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)	Hung Chun-Lin, Hung Chiang-Ming, Hung Yao-Chi	Hung Chun-Lin, Hung Chiang-Ming, Hung Yao-Chi	Hung Chun-Lin, Hung Chiang-Ming, Hung Yao-Chi	Hung Chun-Lin, Hung Chiang-Ming, Hung Yao-Chi
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)	Hua-Shao Investment Co., Ltd. Hung Yao-Hsin, Hung Yao-Hsin	Hua-Shao Investment Co., Ltd. Hung Yao-Hsin, Hung Yao-Hsin	Hua-Shao Investment Co., Ltd. Hung Yao-Hsin, Hung Yao-Hsin	Hua-Shao Investment Co., Ltd. Hung Yao-Hsin, Hung Yao-Hsin
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)				
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)				
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)				
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)				
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)				
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)				
More than NTD 100,000,000				
Total	6 people	6 people	6 people	6 people

2-1. Remuneration to supervisors (names and remuneration methods shall be separately disclosed): Not applicable.

2-2. Remuneration to supervisors (names and remuneration methods shall be separately disclosed): Not applicable.

2-3. Remuneration scale table for supervisors: Not applicable..

3-1. Remuneration to general managers and deputy general managers (names and remuneration methods shall be separately disclosed): Not applicable.

3-2. Remuneration to general directors and deputy general managers (the name of the director is disclosed in the remuneration scale table): Unit: NTD thousand

Title	Name	Salaries (A)		Severance pay and pension (B)		Bonuses and special allowances (C)		Amount of employee remuneration (D)				Total sum of A, B, C and D and their proportion to net income (%)		Remuneration received from investees other than subsidiaries or parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report	
								Cash amount	Stock amount	Cash amount	Stock amount			
General Manager	Chao Wen-Chiang	4,400	4,400	202	202	2,546	2,546	1,245	0	1,245	0	8,393 4.63%	8,393 4.63%	None
Deputy General Manager	Yang Chun-Hsien													

### 3-3. Remuneration Scale Table

Remuneration level of each general manager and deputy general manager of the Company	Name of the general manager and deputy general manager	
	The Company	All companies in the financial report
Less than NTD 1,000,000		
NTD 1,000,000 (inclusive) to NTD 2,000,000 (exclusive)		
NTD 2,000,000 (inclusive) to NTD 3,500,000 (exclusive)		
NTD 3,500,000 (inclusive) to NTD 5,000,000 (exclusive)	Chao Wen-Chiang, Yang Chun-Hsien	Chao Wen-Chiang, Yang Chun-Hsien
NTD 5,000,000 (inclusive) to NTD 10,000,000 (exclusive)		
NTD 10,000,000 (inclusive) to NTD 15,000,000 (exclusive)		
NTD 15,000,000 (inclusive) to NTD 30,000,000 (exclusive)		
NTD 30,000,000 (inclusive) to NTD 50,000,000 (exclusive)		
NTD 50,000,000 (inclusive) to NTD 100,000,000 (exclusive)		
More than NTD 100,000,000		
Total	2 people	2 people

4. Top 5 executives with the highest remuneration (names and remuneration methods shall be separately disclosed): Not applicable.

5. Names of managers who received employee remuneration and the status of distribution

Unit: NTD thousand

	Title	Name	Amount of stock dividends	Amount of cash bonus	Total	Total amount as a percentage of net income (%)
Managers	General Manager	Chao Wen-Chiang	0	76	76	0.04
	Deputy General Manager	Yang Chun-Hsien				
	Assistant General Manager	Hung Yao-Chih				
	Assistant General Manager	Wang Jen-Chih				
	Assistant General Manager	Lin Mao-Sheng				
	Assistant General Manager	Hsu Pei-Yu				
	Assistant General Manager	Li Hsiao-Wen				
	Assistant General Manager	Yang-Hsi-Chuan				
	Assistant General Manager	Huang Cheng-Yun				
	Finance Manager	Tai Chen-Hui				

6. Provide separate explanations for the analysis of the total amount of remuneration paid to the directors, supervisors, general manager, and deputy general managers of the Company and all companies in the consolidated financial statements for the past two years as a percentage of the individual or separate financial reports' net profit after tax. Additionally, describe the policies, standards, and composition of remuneration, the procedures for setting remuneration, and the correlation between business performance and future risks associated with remuneration;

1. Analysis of total remuneration as a percentage of net income stated in the parent company only or individual financial statements

Year	2024		2023	
	Total remuneration as a percentage of net profit after tax (%)		Total remuneration as a percentage of net profit after tax (%)	
	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements
Director	6.99	7.38	6.76	6.99
General manager and deputy general manager	4.63	4.63	3.23	3.23

2. The policies, standards, and composition of remuneration, the procedures for setting remuneration, and the correlation between business performance and future risks associated with remuneration:

- (1) The remuneration to the directors of the Company shall be determined in accordance with Article 26 of the Articles of Incorporation. The Board of Directors is authorized to determine the remuneration to the chairman and the directors for performing the duties of the Company with reference to the recommendation of the Company's Remuneration Committee and in accordance with the extent of their participation in and value of their contribution to the Company's operations and the usual standards in the same industry. In addition, if the Company makes a profit in the year, not more than 5% of the profit shall be set aside as remuneration to the directors in accordance with the Articles of Incorporation. The actual appropriation ratio shall be determined by the Remuneration Committee after taking into consideration the business performance and submitting it to the Board of Directors for resolution. As for the independent directors, the Board of Directors shall determine the fixed remuneration to the independent directors, who will also be paid for attending meetings; however, the independent directors do not participate in remuneration distribution when the Company makes a profit.

- (2) The remuneration to the Company's general managers, deputy general managers and other equivalent managers includes salaries and bonuses. Salaries are determined with reference to the usual standards in the same industry and the titles, ranks, educational (academic) background, professional abilities and responsibilities. Bonuses are determined based on the manager's performance evaluation items, including financial indicators (such as the Company's revenue, pre-tax profit and after-tax profit) and non-financial indicators (such as major deficiencies in compliance and operational risks of the department). The remuneration committee reviews the contribution to the overall operation of the Company.
- (3) The employee remuneration policy is determined based on individual capabilities, contribution to the Company, performance, market value of their position, and the Company's future operational risks. It is positively related to the operating performance, and there is no difference based on age, gender, ethnicity, religion, political affiliation, marital status, or union membership. If the Company makes a profit in the year, it will allocate 2% of the profit as employee remuneration in accordance with the Company's Articles of Incorporation. Employees who have served for six months may apply for the trust of shareholding. The overall remuneration to employees consists of three parts: basic fixed salary, bonus and welfare. The payment standards are determined based on the market price of the position held by the employees. Bonuses are given to employees for accomplishing the targets of the employees and their respective department, as well as the operating performance of the Company. The Company also recognizes and appreciates teams or individuals who have performed well in the year. The Company designs welfare for employees in accordance with the laws and regulations and the needs of the employees.

### III. State of corporate governance:

#### (I) Operation of the Board of Directors

1. The Board of Directors held seven meetings (A) in 2024. The attendance of all directors is as follows:

Title	Name	No. of attendance in person (B)	No. of attendance by proxy	Actual attendance rate (%) (B/A)	Remark
Chairman	Hua-Shao Investment Co., Ltd. Representative: Hung Yao-Kun	7	0	100.00	2023/06/09 Re-elected
Vice Chairman	Hung Yao-Hsin	6	1	85.71	2023/06/09 Re-elected
Director	Hung Yao-Chih	7	0	100.00	2023/06/09 Re-elected
Director	Hung Chun-Lin	7	0	100.00	2023/06/09 Newly elected
Director	Hung Chiang-Ming	6	1	85.71	2023/06/09 Newly elected
Director	Hung Yao-Chi	6	1	85.71	2023/06/09 Newly elected
Independent Director	Fang Ming-Tao	7	0	100.00	2023/06/09 Newly elected
Independent Director	Yu Pi	7	0	100.00	2023/06/09 Newly elected
Independent Director	Huang Shou-Tso	7	0	100.00	2023/09/27 By-election

Any other matters that require reporting:

- I. For Board of Directors' meetings that meet any of the following descriptions, it is necessary to state the date, session, the motion discussed, independent directors' opinions and how the Company has responded to such opinions:
  - (I) Matters listed in Article 14-3 of the Securities and Exchange Act: The content of the important resolutions has been approved by the independent directors as proposed. Please refer to "Operation of the Audit Committee".
  - (II) Any other documented objections or qualified opinions raised by independent directors against Board resolutions in relation to matters other than those described above: None.
- II. Execution status of recusal of directors due to conflicts of interest (name of directors, proposal content, reasons of recusal and participation in voting shall be described): None.
- III. TWSE/TPEX Listed Companies should disclose information including the evaluation cycle and period, evaluation scope, method and evaluation content of the board's self (or peer) evaluation, and complete Table 2. Implementation of Board's evaluation (see next page).
- IV. Objectives for strengthening the functions of the Board of Directors for the year and the most recent fiscal year and the evaluation of the implementation state:
  - (I) The Board of Directors approved the formulation of the Company's "Standard Operating Procedures for Handling Requests of Directors" on March 22, 2019.
  - (II) The Board of Directors approved the formulation of the Company's "Procedures for Board Performance Evaluation" on May 12, 2020.
  - (III) Objectives for strengthening the functions of the Board of Directors are as follows:
    1. The chairman will not serve as general manager concurrently, and the number of seats of the Board of Directors is planned.
    2. Formulate the Rules of Procedure for Board Meetings, comply with the recusal of directors' interests, and track and assess the resolutions of the Board of Directors.
    3. Elect and supervise management to ensure the effectiveness of internal control, review the Company's financial reports, and perform business in accordance with laws and regulations and the Articles of Incorporation and resolutions of the shareholders' meetings.
  - (IV) The actual operation of the Board of Directors of the Company has achieved the above objectives.

## 2. Implementation of performance evaluation of the Board of Directors and functional committees:

Evaluation cycle	Evaluation duration	Evaluation scope	Evaluation method	Evaluation content	Evaluation outcome
Once a year	2024/01/01 to 2024/12/31	1. Board of Directors  2. Individual Board members  3. Functional committees (Audit Committee, Remuneration Committee etc.)	Internal self-evaluation	<p>1. Self-evaluation of the Board of Directors: Participation in the Company's operations, improvement of the quality of the Board's decision making, composition and structure of the Board of Directors, selection and continuing education of directors, and internal control.</p> <p>2. Self-evaluation of the Board members: Alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the Company's operations, internal relationship management and communication, selection and continuing education of a director, and internal control.</p> <p>3. Self-evaluation of the functional committees: Participation in the Company's operations, awareness of the duties of the functional committee, improvement of the quality of the functional committee's decision making, composition and member election of the functional committee, and internal control.</p>	<p>1. Self-evaluation of the Board of Directors The average score for each aspect is 4.3 out of 5. (1) The average score of the composition and structure of the Board of Directors is 4.46 - the highest. (2) The average score of the selection and continuing education of directors is 4.05 - the lowest. (3) Actively seek the list of candidates for successors, and formulate short-term, mid-term, and long-term successor training programs. (4) Strengthen the diversity of the Board of Directors, such as female directors.</p> <p>2. Self-evaluation of the Board members The average score for each aspect is 4.74 out of 5. (1) The average score of the awareness of the duties of a director is 4.96 - the highest. (2) The average score of internal relationship management and communication is 4.59 - the lowest.</p> <p>3. Self-evaluation of the functional committees Self-evaluation of the Audit Committee The average score for each aspect is 4.98 out of 5. (1) All three items: Participation in the Company's operations, composition and member election of the functional committee, and internal control scored 5 points. (2) The average score of the awareness of the duties of the functional committee is 4.94 - the lowest.</p> <p>Self-evaluation of the Remuneration Committee The average score for each aspect is 4.91 out of 5. (1) All three items: Participation in the Company's operations, improvement of the quality of the functional committee's decision making, and composition and member election of the functional committee scored 5 points. (2) The average score of internal control is 4.67 - the lowest.</p>

Note 1: The Board of Directors of the Company passed the "Procedures for Board Performance Evaluation" on May 12, 2020, stipulating that the Board of Directors shall perform an internal evaluation at least once a year, including the performance evaluation of the Board of Directors, directors, Audit Committee and Remuneration Committee. The results of the internal performance evaluation shall be completed before the end of Q1 next year.

Note 2: The evaluation method and evaluation implementation are overseen by the meeting unit, conducted using internal questionnaires are adopted. The directors are evaluated by the Board of Directors; the directors are evaluated by themselves; the Audit Committee members are evaluated by the committee members, and the Remuneration Committee members are evaluated by the committee members. The Company's meeting unit will analyze the aforementioned evaluations and submit the results to the Board of Directors, and will propose improvement measures to strengthen the suggestions of the directors.

Note 3: The 2024 evaluation results have been submitted to the Board of Directors held on March 4, 2025.

(II) Operation of the Audit Committee:

To implement the spirit of corporate governance, the operation of the Audit Committee is carried out in accordance with the "Audit Committee Charter". The following is a list of the main items of supervision:

- Fair presentation of the Company's financial reports.
- Selection and independence of CPAs.
- Effective implementation of the Company's internal controls.
- The Company complies with relevant laws and regulations.
- Management and control of the Company's potential risks.

Audit Committee and its members:

Date of establishment	3rd Term - Audit Committee Members	
	Convener	Member
June 20, 2017	Fang Ming-Tao	Fang Ming-Tao, Yu Pi, Huang Shou-Tso

1. Duties and work focus of the Audit Committee

- (1) Establishment or amendment of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Evaluation of the effectiveness of the Internal Control System.
- (3) Formulate or amend the procedures for handling major financial business, such as the acquisition or disposal of assets, engagement in derivative transactions, the loaning of funds to others, and endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act, which are significant financial operations, in accordance with the provisions of Article 36-1 of the Securities and Exchange Act.
- (4) Any matter involving the interests of the directors.
- (5) Major asset or derivative transactions.
- (6) Major loaning of funds, endorsements or guarantees.
- (7) Offering, issuance or private placement of equity securities.
- (8) Appointment, dismissal or evaluation of the independence and suitability of the CPAs.
- (9) Appointment and dismissal of the heads of finance, accounting or internal audit
- (10) Interim and annual financial reports.
- (11) Other matters regulated by other companies or competent authorities.

2. The Audit Committee held 7 meetings (A) in 2024. The attendance of independent directors is as follows:

Title	Name	No. of attendance in person (B)	No. of attendance by proxy	Actual attendance rate (%) (B/A)	Remark
Independent Director (convener)	Fang Ming-Tao	7	0	100.00	2023/06/09 Newly elected
Independent Director	Yu Pi	7	0	100.00	2023/06/09 Newly elected
Independent Director	Huang Shou-Tso	7	0	100.00	2023/09/27 By-election

Any other matters that require reporting:

- I. For Audit Committee meetings that meet any of the following descriptions, it is necessary to state the date, session, the motion discussed, resolution result of the Audit Committee meeting and the Company's handling for opinions of the Audit Committee:
  - (I) Matters specified in Article 14-5 of Securities and Exchange Act: A total of 7 Audit Committee meetings were held in 2024. The Audit Committee approved all matters listed in Article 14-5 of the Securities and Exchange Act.
  - (II) Except for the aforementioned matters, other resolutions not approved by the Audit Committee but had the consent of more than two-thirds of all directors: None. None.
- II. Execution status of recusal of independent directors due to conflicts of interest (name of independent directors, proposal content, reasons of recusal and participation in voting shall be described): None.
- III. Communication between the independent directors and the internal audit officer (including the material items, methods and results of the communication on the financial and business condition of the Company):
  - (I) The audit officer shall attend the meetings of the Board of Directors and the Audit Committee to report the audit business in accordance with the regulations.
  - (II) The audit report must record the follow-up of improvement of its internal control deficiencies and irregular events. A follow-up report is prepared every quarter and submitted to the independent directors.
  - (III) After the independent directors have read the audit report, they will consult the audit officer regarding relevant questions.
  - (IV) The audit reports regularly provided by the Board of Directors, Audit Committee and the audit unit allow the independent directors to understand the Company's operating status, financial status and audit status, etc. There are also channels available for the independent directors to communicate with the CPAs.
  - (V) The CPAs communicate with the independent directors at least once a year on the annual audit plan, key audit matters and internal controls, etc.
  - (VI) The independent directors and the internal audit officer shall hold a separate communication meeting at least once a year to report on the implementation of internal audits and internal controls.



Important resolutions of the Audit Committee in 2024:

Date of meeting	Content of motion	Resolution outcome	How the Company responded to Audit Committee's opinions
2024/03/12 3rd term 6th session	1. Motion for 2023 final accounts. 2. Determination of the date, venue and reason for convening the 2024 Shareholders' Meeting.	Approved as proposed without dissent.	Approved by all attending directors at the Board meeting.
	3. Motion "Declaration of Internal Control System".		7 in favor and 2 against; the Board of Directors passed the motion.
	4. Motion for evaluation of the independence of the CPAs.		Approved by all attending directors at the Board meeting.
	5. Motion for investment of equipment at the Kaohsiung Qiaotou Factory.		4 in favor and 5 against; the Board of Directors rejected the motion.
2024/04/16 3rd term 7th session	1. Motion for 2023 earnings distribution. 2. Motion for capitalization of 2023 earnings by issuing new shares. 3. Motion for 2023 remuneration to employees and directors. 4. New motions added to the 2024 Shareholders' Meeting. 5. Motion for "cash capital increase" by subsidiary Charming Food International Marketing Co., Ltd. 6. Motion for replacement of CPAs to meet regulatory requirements. 7. Motion for renewal of the loan facilities of each bank upon maturity. 8. Motion for renewal of the transaction limit for derivatives related to forward foreign exchange transactions upon maturity with Chang Hwa Bank. 9. Motion for new syndicated loan facility with Taishin International Bank. 10. Motion for subsidiary Charming Food International Marketing Co., Ltd. to apply for endorsement/guarantee for a new loan from Bank of Taiwan. 11. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International Marketing Co., Ltd. from various banks.	Approved as proposed without dissent.	Approved by all attending directors at the Board meeting.
2024/05/07 3rd term 8th session	1. Motion for consolidated financial statements for Q1 2024. 2. Motion for renewal of the loan facilities of each bank upon maturity. 3. Motion for new application for mid- and long-term loans from Taiwan Cooperative Bank, with a maturity of five years. 4. Motion for renewal of the "transaction limit for derivatives related to interest rates, forward exchange forwards, or other underlying prices" upon maturity with Bank of Taiwan. 5. Motion for renewal of "transaction limit for derivatives related to interest rates, forward exchange forwards, or other underlying prices" upon maturity with Taiwan Cooperative Bank. 6. Motion for renewal of "transaction limit for derivatives related to interest rates, forward exchange forwards, options or other underlying prices" upon maturity with First Commercial Bank.	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.
	7. Motion for the renewal of the endorsement and guarantee amount of the subsidiary endorsement/guarantee from various banks.		1. Approved as proposed without dissent by all attending directors. 2. Resolution: The rate of endorsement/guarantee of Fwusow Industry Co., Ltd. to Charming Food International Marketing Co., Ltd. has been adjusted from 0.5% to 0.75%, taking effect in May 2024.
2024/06/05 3rd term 9th session	Matters related to base dates for capitalization of 2023 earnings by issuing new shares and distribution of dividends.	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.
2024/08/06 3rd term 10th session	1. Motion for consolidated financial statements for Q2 2024. 2. Motion for formulation of the "Regulations Governing Financial and Business Matters Between Related Parties." 3. Motion for renewal of the loan facilities of each bank upon maturity. 4. Motion for renewal of the transaction limit for derivative financial instruments related to forward foreign exchange transactions upon maturity with E.SUN Commercial Bank. 5. Motion for new syndicated loan facility with Mizuho Bank Taiwan. 6. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.

	Marketing Co., Ltd. from various banks.		
2024/11/12 3rd term 11th session	1. Motion for consolidated financial statements for Q3 2024.	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.
	2. Motion for 2025 audit plan.	Approved the revised audit plan as proposed.	
	3. Motion for earnings distribution for 1H2024.	Approved as proposed without dissent.	
	4. Motion to amendment to "List of Delegations of Authority".	Approved as proposed. The following delegation of authority has been amended: The highest authority for approving the pricing of new products on the market in the business category is the general manager, with the chairman notified.	8 directors agreed to pass the amended version of delegation of authority, and 1 director had a dissenting opinion on the delegation of authority in (1) personnel (promotion) and (2) payment (raw materials, general payment). The Board of Directors approved the motion.
	5. Amendment to the format of the "Material Information Application and Assessment Form" of the "Procedures for Handling Material Information". 6. Motion for formulation of the "Procedures for Sustainable Information Management". 7. Motion for amendment to the "Internal Control System". 8. Motion for renewal of the loan facilities of each bank upon maturity. 9. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International Marketing Co., Ltd. from various banks. 10. Motion for subsidiary Wan-Ji-Sheng Agricultural Technology Co., Ltd. to apply for endorsement/guarantee for a new loan from First Commercial Bank.	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.
2024/12/24 3rd term 12th session	1. Motion for 2025 budget plan. 2. Amendment to the "Procedures for the Preparation and Verification of the ESG Report". 3. Motion for donating NTD 2.5 million to the Fwusow Social Welfare Foundation.	Approved as proposed without dissent.	Approved as proposed without dissent by all attending directors.

Summary of the communication between the independent directors and the internal audit officer:

Date	Communication meeting	Communication focus	Communication results
2024/03/12	Separate communication meeting	1. Presentation of the 2023 audit reporting matters and the actual implementation of the annual audit plan. 2. Discussion of the frequency of individual communication meetings.	A separate communication meeting is held at least once a year, and may be increased if necessary.
2024/03/12	Audit Committee	1. Presentation of the report on audit implementation. 2. Presentation of the motion for reporting the "Declaration of Internal Control System".	No comments
2024/04/16	Audit Committee	Presentation of the report on audit implementation.	No comments
2024/05/07	Audit Committee	Presentation of the report on audit implementation.	No comments
2024/06/05	Audit Committee	Presentation of the report on audit implementation.	No comments
2024/08/06	Audit Committee	Presentation of the report on audit implementation.	The independent director instructed the audit unit to report to the relevant management unit in a timely manner any obstacles encountered during the audit process. If the unit is unable to carry out the audit process, the issue should be put forward at the Audit Committee meeting. The Audit Committee will make a recommendation to the Board of Directors. The audit officer has that there were no obstacles during the audit process, in which all units cooperated. Any obstacles encountered will be handled according to the instructions of the independent directors.
2024/11/12	Audit Committee	1. Presentation of the report on audit implementation. 2. Report on the motion for 2025 audit plan. 3. Amendment to the "Internal Control System".	No comments
2024/12/24	Audit Committee	Presentation of the report on audit implementation.	No comments

Communication between the Audit Committee and CPAs:

Date	Communication focus	Communication results
2024/03/12 (Separate communication meeting)	1. Matters of the completion of the 2023 audit. 2. CPAs audit opinions. 3. Update of related laws and regulations.	No comments
2024/11/12 (Separate communication meeting)	1. 2024 audit planning and key audit matters. 2. Communication of other matters.	No comments

(III) The Company's corporate governance practices and any deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor

Evaluation Item	Status			Discrepancies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established and disclosed its rules of corporate governance in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company established the "Corporate Governance Best Practice Principles" in January 2015 with reference to the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and approved by the Board of Directors on March 21, 2022 for implementation. The Principles are disclosed on the MOPS and the Company's website.	None
II. Equity structure and shareholders' equity				
(I) Has the company formulated internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters and have the procedures been implemented accordingly?	V		The Company has established the "Corporate Governance Best Practice Principles" to handle shareholders' proposals, doubts, disputes, and litigation matters, and appointed a spokesperson and acting spokesperson as a communication channel for shareholders' suggestions.	None
(II) Does the company possess a list of the company's major shareholders and a list of the ultimate controllers of its major shareholders?	V		Based on the shareholder registry of the stock agency, the Company keeps track of the changes in the equity held by insiders at all times and reports the changes as required.	None
(III) Has the company established and implemented the risk control and firewall mechanisms between the affiliates?	V		The Company and its affiliates operate independently in terms of finance and business. The Company has formulated relevant measures for the transactions, endorsements, guarantees, and loans of funds with related parties to clearly manage the operations. In addition, the Company has implemented the supervision and management of subsidiaries in accordance with the internal control system standards to perform risk control.	None
(IV) Has the company set up internal regulations to prohibit internal personnel from utilizing the undisclosed information to trade securities?	V		The Company has established the Management Measures for Prevention of Insider Trading, the Procedures for Ethical Management and Guidelines for Conduct, etc. They clearly forth that the personnel of the Company shall comply with the regulations of the securities trading, and shall not use the undisclosed information they know to engage in insider trading, and shall not trade within 15 days before the date of announcement of the annual financial report and the quarterly report, and the stock affairs unit shall notify the insiders to prohibit the trading of stocks, etc. to regulate the prevention of insider trading.	None
III. Composition and duties of the Board of Directors				
(I) Has the board formulated a diversity policy and specific management objectives, and have they been implemented?	V		1. Pursuant to Article 18 of the "Corporate Governance Best Practice Principles", the composition of the Board of Directors shall be based on the principle of diversity in expertise and helpful to the Company's business development. 2. The Board of Directors is in compliance with the diversity policy, including professional knowledge and skills. There should be at least one female member of the Board of Directors and not more than one-third of the Board of Directors who is also the manager of the Company. The Company's directors have diversified backgrounds, including management, finance, taxation, agricultural economics, and other fields. The Company's directors have experience in various industries and institutions, which can provide professional knowledge and assist decision-making for the Company. The Company has two female directors, accounting for 22.2% of all directors.	None
(II) Apart from the remuneration committee and audit committee, has the company voluntarily established other functional committees?	V		1. The Remuneration Committee and Audit Committee were established as required by law. 2. The Company has established the Sustainable Development Committee and the TCFD Committee to assist the Company in the formulation and promotion of climate risk and sustainable development strategies. 3. The Risk Management Committee was established on August 6, 2024.	None

Evaluation Item	Status			Discrepancies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(III) Has the company established Rules for Performance Evaluation of Board of Directors and Its Evaluation Methods, and the performance evaluation is conducted annually and regularly, and the results of the performance evaluation are submitted to the Board of Directors, and used as reference for individual directors' remuneration and nomination renewal?	V		The Board of Directors passed the Board's Performance Evaluation of Board of Directors and Its Evaluation Methods in May 2020, and completed the performance evaluation before the end of the first quarter of the next year. The results of the evaluation of the scoring criteria of evaluation indicators in Article 7 were submitted to the Board of Directors for review and improvement.	None
(IV) Does the company regularly assess the independence of its CPAs?	V		1. We regularly assess the independence of the CPAs in accordance with Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and the guidelines of the Auditing Quality Index (AQI). An independence assessment is performed at least once a year. Based on the results of the independence assessment of the CPAs and the Declaration of Independence issued by the CPAs, the two CPAs have been evaluated to be independent and competent (see Note 1). 2. The Company's CPA assessment results were submitted to the Board of Directors for approval on March 4, 2025.	None
IV. Has the company designated an appropriate number of corporate governance personnel and designated a chief corporate governance officer that are responsible for corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, assist directors and supervisors in complying with laws and regulations, convening board meetings and shareholders' meetings in accordance with the law, preparation of board meeting and shareholders' meeting minutes)?	V		The Board of Directors has resolved to establish the position of "Corporate Governance Officer" concurrently served by the finance officer, responsible for the affairs of corporate governance, including providing the information required by the Board of Directors and independent directors to perform their duties, handling matters related to the Board of Directors and shareholders' meetings according to the law, handling company registration and change registration, and preparing minutes of Board of Directors and shareholders' meetings, etc., strengthening and implementing the promotion of corporate governance.  2024 business execution focus: 1. Matters related to Board meetings and minutes of meeting on record. 2. Matters related to material information of the Board's resolutions. 3. Planning of continuing education for directors (the continuing education of directors has been reported to the MOPS). 4. Related stock affairs prior to convening the shareholders' meeting. 5. Announcement of resolutions of the shareholders' meeting. 6. Scoring evaluation of corporate governance evaluation indicators.	None
V. Has the company established channels for communication with the stakeholders, and set up a section for stakeholders on the official website of the Company with a proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		The Company's website has a stakeholder section, and has designated hotlines and mailbox for employees, consumers, and suppliers to facilitate smooth communication and respond to issues of concern to stakeholders.	None
VI. Does the company engage a professional stock transfer agency to handle affairs related to shareholders' meetings?	V		The Company has appointed KGI Securities Co., Ltd. as the stock transfer agency to handle stock affairs.	None
VII. Information transparency				
(I) Does the company have a website set up where its financial business, and corporate governance information is disclosed?	V		The Company has set up a website to disclose financial and business and corporate governance information. Website: <a href="https://www.fwusow.com.tw">https://www.fwusow.com.tw</a>	None
(II) Has the company adopted other information disclosure methods (e.g., establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, and upload the procedure of investors conference on its website, etc.)?	V		1. The Company has a website in English (Website: <a href="https://www.fwusow.com.tw/en/">https://www.fwusow.com.tw/en/</a> ) 2. The Company has dedicated personnel responsible for the collection and disclosure of company information, and set up spokesperson and acting spokespersons as required. 3. The investor conference was held on the 1st floor of TWSE on September 18, 2024, and the meeting process has been uploaded on the website of TWSE and the Company's website.	None
(III) Has the company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial		V	The Company's annual and quarterly financial reports and operating status are announced within the deadline in accordance with relevant regulations.	None

Evaluation Item	Status			Discrepancies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline?				
VIII. Is there any important information (including but not limited to employee rights and benefits, employee care, investor relations, supplier relations, stakeholder rights, continuing education of the directors and supervisors, risk management policy and risk assessment implementation, the pursuit of customer policy, and the purchase of liability insurance for the company's directors and supervisors) that is helpful in understanding the corporate governance operation of the company?	V		<p>1. Employee rights and care: In addition to statutory protection, the Company provides an excellent welfare system and communication channels.</p> <p>2. Investor relations: Through public information, the Company's conveys its business condition (including financial information disclosure, investor conferences). The spokesperson also communicates with the investors.</p> <p>3. Supplier relations: We establish partnerships based on the principle of equal and mutual benefit. Suppliers are required to sign the "Supplier CSR Code of Conduct" to jointly comply with human rights, labor conditions, labor safety and health, and fair competition and environmental protection.</p> <p>4. Stakeholders' rights: The Company maintains good communication with stakeholders and collects their concerns and responds to them. For the stakeholder engagement and communication, please refer to the Company's Sustainability Report.</p> <p>5. Continuing education of directors and supervisors: The directors of the Company have completed the required hours of continuing education. Please refer to the Company's Sustainability Report and MOPS for the status of continuing education.</p> <p>6. Customer policy: We provide safe and healthy quality products and have a consumer hotline in place to actively handle complaints and protect consumer rights.</p> <p>7. The Company has taken out liability insurance for its directors.</p>	None
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified:				
No.	Evaluation indicator		Improvement status	
1.6	Did the company convene the general shareholders' meeting before the end of May?		The general shareholders' meeting was convened at the end of June	
1.15	Has the company established and disclosed on the its website internal rules prohibiting insiders, such as directors or employees, from trading in securities using unpublished information in the market, including (but not limited to) the prohibition of directors from trading their stocks in the period of 30 days before the annual financial report is announced, and the period of 15 days before the quarterly financial report is announced, and explain the implementation status?		The "Management Measures for Prevention of Insider Trading" was amended on 2022/11/16. The stock affairs unit shall notify the insiders of the prohibition of directors from trading their stocks in the period of 30 days before the annual financial report is announced, and the period of 15 days before the quarterly financial report is announced	
2.7	Has the number of independent directors reached one-third of the total number of directors?		There are three independent directors, accounting for one-third of the total directors, on par with the scoring criteria of the corporate governance appraisal.	

Evaluation Item	Status			Discrepancies with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	

No.	Evaluation indicator	Improvement status
2.14	Has the company set up a functional committee other than the statutory functional committees? Does the committee have a minimum of three members, and more than half of whom are independent directors and more than one of whom has the professional competence needed by the committee? Has the company disclosed the composition, duties, and operation of the committee?	The Risk Management Committee was established on August 6, 2024.
2.22	Does the Company have the risk management policy and procedure approved by the Board of Directors, and disclose the scope of risk management, organizational structure and operation status, and report to the Board of Directors at least once a year?	The "Risk Management Policy and Procedures" was approved by the Board of Directors on August 10, 2022. For the organizational structure and operation of the Risk Management Committee, please refer to page 32 of the annual report.
2.23	Has the board's performance evaluation methods established by the Company approved by the board of directors? Are external evaluations performed at least once every three years, and are the evaluation performed in accordance with the deadline set forth in the methods? Are the implementation status and evaluation results disclosed on the company's website or annual report?	The Board of Directors has passed the Procedures for Board Performance Evaluation, which have been disclosed in the annual report.
2.25	Have the independent directors of the Company been trained for the required hours in accordance with the Key Points of Continuing Education of Directors and Supervisors of TWSE and TPEX-listed Companies?	All of the required hours of continuing education were completed in 2024.
2.27	Has the company established an intellectual property management plan that is linked to operational goals, and disclosed the implementation status on the Company's website or annual report, and reported to the Board of Directors at least once a year?	The Board of Directors reported the intellectual property management plan and implementation status on December 24, 2024, and disclosed it on the official website.
3.8	Has the company voluntarily disclosed the financial forecast for all quarters and related operations and were there deficiencies that were corrected by the competent authorities or recorded by TWSE or TPEX?	The Company did not voluntarily disclose financial forecast and there were no deficiencies.
3.13	Did the company voluntarily disclose the individual remuneration of directors and supervisors in its annual report?	No voluntary disclosure.
3.18	Has the company set up an English website that includes financial, business and corporate governance information?	Disclosed on the Company's website.
3.20	Has the company been invited (on its own) to hold at least two investor conferences, and the interval between the first and second investor conferences was more than three months?	The Company maintains to convene one investor conference per year.
3.21	Has the company voluntarily disclosed the individual remuneration of the general manager and deputy general managers in the annual report?	No voluntary disclosure.
4.2	Has the company set up a unit that specializes (or is involved) in ethical corporate management, and is the unit responsible for the formulation and supervision of ethical corporate management policies and preventive programs, and disclosed the operation and implementation of the unit on the company's website and annual report, and reported to the Board of Directors at least once a year?	The Company has established the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct. The Corporate Governance Office is responsible for forming an ethical corporate management promotion team who oversees the formulation and supervision of the implementation of ethical corporate management policies and prevention programs, and reports to the Board of Directors at least once a year (2024/12/24) on the implementation status.
4.6	Has the company referred to international human rights conventions to establish human rights protection policies and specific management plans, and disclosed such information on the company's website or annual report?	The "Company's Human Rights Policy" was approved by the Board of Directors on March 21, 2022, and was published on its official website.

Note 1: Assessment of the independence and suitability of the CPAs in 2024

Period: From January 1 to December 31, 2024

Assessment Scope: Independence and competence of the CPAs

The assessment method: The assessment is conducted through the "CPA Independence and Competence Scoring Form", and the executive unit of the evaluation - the Board of Directors Secretariat, will collect the form and then calculate the scores based on the assessment indicators of "Excellent" (5), "Good" (4), "Fair" (3), "Fair" (2), and "Poor" (1) for each of the five indicators of the assessment.

Aspect	Assessment indicator	Evaluation outcome
Professionalism	The professional and management ability of the CPA firm and the CPA firm to perform audit business.	1. The average seniority of the CPAs is 22 years. 2. The average training hours of the CPAs are 147 hours per year. 3. The CPA firm's turnover rate for the last 2 years was 0%. 4. The professional personnel involved in TWSE/TPEx listed company cases accounts for 8.4%. (industry average is 8%).
Quality control	The ability to control the quality of the audit of the CPA and the CPA firm.	1. Number of public companies with the CPA as the principal signatory: 5 (industry average is 7.2). 2. Audit is divided into: Planning stage, execution stage Percentage of total hours: 43.5%, 56.5% respectively. 3. Case quality review personnel shall not be members of the case service team. EQCR hours spent on review: 1.77% (industry average is 1.29%).
Independence	When the CPA firm is performing the audit, whether the firm is maintaining the substantial and objective independent position, and expressing the opinion fairly.	1. Non-audit service fees accounted for 18.5%. 2. Accumulated years of services provided by Soloman & Co., CPAs to the Company: Over 30 years.
Supervision	The deficiencies in the supervisory authority's oversight of the firm and the certified public accountants are determined by the quality of the audits conducted by the CPA firm and CPAs. The Company has a considerable reference to the evaluation of the audit quality of the CPA firm.	1. Number of quality deficiencies checked by the FCA: 0. 2. Number of disciplinary cases against the CPA and number of cases punished in accordance with Article 37 of the Securities and Exchange Act: 0.
Innovation ability	The ability to improve the planning or innovation capability of the CPA firm to enhance the audit quality. A significant impact on the future audit quality of the CPA firm.	1. By re-examining the work pattern of colleagues, routine audit administrative matters that can be centralized for processing, such as data collation and correspondence, are assigned to specialists. This allows colleagues to have more time to focus on audit work that requires more professional judgment, such as the reading and evaluation of information. 2. Through standardized and centralized operating procedures, the Company achieves economic scale benefits. Meanwhile, through a comprehensive division of labor mechanism, the Company improves overall audit effectiveness and benefits.

Conclusion:

The Company's CPA firm - Soloman & Co., CPAs

The Company's CPAs, Chen Tzu-Yu and Chang Chun-Fu, have met the criteria of independence and competence.



#### (IV) Operation of the functional committee

##### Remuneration Committee members and its operation

1. The Company's Remuneration Committee consists of three members, and the term of office for the current members is from June 9, 2023 to June 8, 2026.

##### Duties of the Remuneration Committee:

March 31, 2025

Identity	Name	Professional qualification and experience	Independence	Number name of other public companies in which the individual is concurrently serving as a remuneration committee member
Independent Director (Convener)	Huang Shou-Tso	Note	Note	0
Independent Director	Fang Ming-Tao	Note	Note	0
Independent Director	Yu Pi	Note	Note	0

Note: For the professional qualifications and experience of the independent directors and their independence, please refer to page 8 of the annual report.

##### 2. Duties of the Remuneration Committee:

The Remuneration Committee shall exercise the due care of good administrators to perform the following duties, and shall submit recommendations to the Board of Directors for discussion:

- Formulate and regularly review the performance evaluation of directors and managers, and the policies, systems, standards and structures of their remuneration.
- Regularly assess and determine the remuneration to directors and managers.

##### 3. The Remuneration Committee held 2 meetings (A) in 2024. The attendance of members is as follows:

Title	Name	No. of attendance in person (B)	No. of attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Independent Director (Convener)	Huang Shou-Tso	2	0	100%	2023/09/27 By-election
Independent Director	Fang Ming-Tao	2	0	100%	Newly elected
Independent Director	Yu Pi	2	0	100%	Newly elected

Any other matters that require reporting:

I. If the Board of Directors declines to adopt or modify a recommendation of the Salary and Remuneration Committee, the date, session, motion discussed and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the remuneration package approved by the Board is better than the recommendation made by the committee, please specify the variation and the reason): None.

II. As to the resolutions of the Salary and Remuneration Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

Important resolutions adopted by the Remuneration Committee in 2023:

Date of meeting	Content of important motion	Resolution outcome
2024/04/16 5th term 3rd session	Motion for 2023 remuneration to employees and directors.	Approved as proposed without dissent by all attending members.
2024/12/24 5th term 4th session	Motion for 2025 employee salary adjustment.	Approved as proposed by all attending members by authorizing the chairman to determine the employee salary adjustment in accordance with the employee performance evaluation.

## Remuneration Committee members and its operation

1. The Company's Sustainable Development Committee consists of three members, and the term of office for the current members commences from August 6, 2024 to June 8, 2026.

Title	Name	Professional qualification and experience
Convener (Chairman)	Hung Yao-Kun	Chairman of CICD; Chairman of Taiwan Vegetable Oil Manufacturers Association; Chairman of Taiwan Feed Industry Association; Chairman of the Company, Chairman of Central Union Oil Corp.; Chairman of Hua-Shao Investment Co., Ltd.; Director of Fwusow New Industry Co., Ltd.
Member (Independent Director)	Fang Ming-Tao	Attorney-at-Law of Chongfa International Commercial Law Office; Independent Director of Chi Sheng Pharma & Biotech Co., Ltd.; Independent Director of Realy Development & Construction Corp.; Member of the Company's Audit Committee; Member of the Company's Remuneration Committee
Member (Independent Director)	Yu Pi	Honorary Distinguished Professor of National Chung Hsing University; Impartiality Commission Member of Traceability Certification Organization of ATRI; member of Written Examination Committee for the Manufacture or Import of Feeds and Feed Additives

## 2. Responsibilities of the Sustainable Development Committee

- Formulation, promotion and strengthening of the Company's sustainable development policy, annual plan and strategy.
- Review, track and revise the implementation of sustainable development and results.
- Supervise the disclosure of sustainability information and review of the sustainability report.
- Assist in the establishment of a comprehensive risk management system and quality and quantitative indicators and supervise risk management policies, evaluation and implementation.
- Supervise the implementation of the Company's business or other matters related to the sustainable development resolved by the Board of Directors.

## 3. The Sustainable Development Committee had one meeting in 2024 and the attendance of members is as follows:

Title	Name	Number of attendance required	Number of actual attendance	Actual attendance rate	Remark
Member (Convener)	Hung Yao-Kun	1	1	100%	Re-elected
Member (Independent Director)	Fang Ming-Tao	1	1	100%	Newly elected
Member (Independent Director)	Yu Pi	1	1	100%	Newly elected

## 2024 Resolutions of the Sustainability Development Committee:

Date of meeting	Cause of discussion	Resolution/committee recommendation
2024/11/12 1st term 1st meeting	Implementation of the 2023 sustainability report and establishment of corporate sustainability development goals	Approved as proposed after discussion by the committee.

Risk Management Committee members and operation:

1. The Company established the Risk Management Committee on August 6, 2024, and three independent directors were appointed in accordance with the "Risk Management Committee Charter". The term of office for this term of Committee: August 6, 2024 to June 8, 2026.

Title	Name	Professional qualification and experience
Convener (Independent Director)	Yu Pi	Honorary Distinguished Professor of National Chung Hsing University; Impartiality Commission Member of Traceability Certification Organization of ATRI; member of Written Examination Committee for the Manufacture or Import of Feeds and Feed Additives
Member (Independent Director)	Fang Ming-Tao	Attorney-at-Law of Chongfa International Commercial Law Office; Independent Director of Chi Sheng Pharma & Biotech Co., Ltd.; Independent Director of Realy Development & Construction Corp.; Member of the Company's Audit Committee; Member of the Company's Remuneration Committee
Member (Independent Director)	Huang Shou-Tso	1. General Manager of Taiwan Financial Holding Co., Ltd. 2. Director of Bank of Taiwan 3. Director, Taipei Exchange 4. Professional certification: ROC CPA Certificate 5. With extensive practical experience in business, finance and accounting.

## 2. Responsibilities of the Risk Management Committee

- Review the risk management policy, procedures and structure, and regularly examine the applicability and execution effectiveness.
- Approve risk tolerance and allocation of resources.
- Ensure that the risk management policy is capable of handling all types of risks that are likely to arise in daily operations.
- Approve the priority sequence and risk levels of risk control.
- Review the implementation of risk management, propose necessary improvement suggestions, and report to the Board of Directors once a year.
- Execute the Board's risk management decision.

## 3. The Risk Management Committee had one meeting in 2024 and the attendance of members is as follows:

Title	Name	Number of attendance required	Number of actual attendance	Actual attendance rate	Remark
Convener (Independent Director)	Yu Pi	1	1	100%	Newly elected
Member (Independent Director)	Fang Ming-Tao	1	1	100%	Newly elected
Member (Independent Director)	Huang Shou-Tso	1	1	100%	Newly elected

## Resolutions of the Risk Management Committee in 2024:

Date of meeting	Cause of discussion	Resolution/committee recommendation
2024/11/12 1st term 1st meeting	2023 risks and control plans.	Approved as proposed after discussion by the committee.

(V) The state of the performance in the area of sustainable development and discrepancies with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
I. Has the company established the governance structure for promotion of sustainable development, and set up a unit specialized (or involved) in the promotion of sustainable development? Is such unit run by senior management authorized by the Board of Directors and reports its supervision status to the Board of Directors?	V		<p>1. The "CSR Promotion Committee" (renamed to the "Sustainable Development Committee" in 2021) was established in 2014, with the chairman as the convener. Six dedicated groups were set up under the Committee to assist in promoting various sustainable development strategies and goals, preparing ESG reports, and responding to issues of concern to stakeholders. The implementation status is reported to the Board of Directors every year.</p> <p>2. In 2024, the Sustainable Development Committee reported to the Board of Directors five times on sustainability-related matters (3/12, 5/7, 8/6, 11/12, 12/24). The contents included analysis and communication of stakeholders' concerns on material topics, planning of schedule for the ESG report preparation, risk management, implementation status of SDGs, GHG inventory planning and implementation, and TCFD implementation.</p> <p>3. To strengthen sustainable governance, the Sustainable Development Committee was upgraded on August 7, 2024 to a unit composed of one director and two independent directors to ensure that the sustainable development strategy is guided by the Board of Directors. The first meeting was held on November 12 to discuss and resolve the adjustment of the sustainable development goals, demonstrating the importance of sustainable governance.</p>	None
II. In accordance with the materiality principle, has the company conducted risk assessments of environmental, social and corporate governance issues pertaining to company operations, and established a relevant risk management policy or strategy?	V		<p>1. The disclosure covers the sustainable development performance of the Company's main locations from January to December 2024. The risk assessment boundaries are based on the Company, and the subsidiaries Fwusow New Industry Co., Ltd., Charming Food International Marketing Co., Ltd., and Wan-Ji-Sheng Agricultural Technology Co., Ltd. are included.</p> <p>2. The Sustainable Development Committee and the Risk Management Committee work together to assess and identify ESG risks related to operations through various departments, and combine the material topics of concern to stakeholders to conduct a systematic analysis based on the principle of materiality. In addition to developing complete response measures and solutions for the actual and potential risks assessed, we also effectively manage and supervise the risks through an internal control system. The measures are incorporated into our daily operations to reduce the probability of risk and the impact on operations. For relevant risk strategies, please refer to the Company's "2024 ESG Report" or this year's risk content.</p>	None
III. Environmental issues				
(I) Has the company established an appropriate environmental management system in accordance with the nature of the industry it is in?	V		<p>1. The Taichung Port Plant and the Shalu Plant of the Company have established environmental management policies and health management standards, and regularly conduct environmental cleaning, disinfection, and 6S inspections.</p> <p>2. To effectively conserve energy and reduce carbon, the Company has established environmental safety management operating control procedures and environmental safety goals. At Fwusow, we perform a GHG inventory once a year in accordance with ISO 14064-1, and completed the inventory and verification of four major production bases (Shalu Plant, Taichung Port Plant, Lukang Plant and Kaohsiung Plant) in 2024. The information on carbon emissions and carbon reduction is disclosed in the ESG report and the sustainability website. (<a href="https://esg.fwusow.com.tw/?lang=tw">https://esg.fwusow.com.tw/?lang=tw</a>)</p>	None
(II) Is the company committed to enhancing the utilization efficiency energy and use renewable materials with low impact on the environment?	V		<p>1. We have introduced the ISO 50001 energy management system to understand energy consumption and improve it, in order to reduce energy consumption.</p> <p>2. In 2014, solar panels were installed, continuing to increase renewable energy power generation.</p> <p>3. Continue to promote various energy-saving and carbon reduction measures - since 2018, the entire boiler in the plant has been fully replaced with natural gas fuel. The energy-saving plan in 2024 was mainly focused on the purchase of high-efficiency motors and equipment,</p>	None

Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons															
	Yes	No	Summary																
			process optimization, process improvement, energy-saving improvement of various equipment, and water-saving performance, which is expected to decrease 372.6 tCO <sub>2</sub> e, with an increased benefits of NTD 3,668.6 thousand expected. 4. Continue to increase the FSC-certified carton purchases and usage ratio. In 2024, 187,820 cartons were purchased, accounting for 27.09% of the total carton consumption.																
(III) Has the company assessed the potential risks and opportunities for business operations now and in the future regarding climate change and adopted climate-related countermeasures?	V		The Company has adopted the Task Force on Climate-Related Financial Disclosures (TCFD) to recommend the disclosure of the current and future potential risks of climate change in the management framework. In 2024, four relevant risks and opportunities were identified, including changes in the cost of raw materials, water shortage and voluntary expansion of GHG inventory. For the assessment results and related countermeasures, please refer to the "Climate-related Information" section of the annual report or the Company's 2024 Sustainability Report. In 2024, four major related risks and opportunities were identified.	None															
(IV) Has the company calculated the greenhouse gas (GHG) emissions, water consumption, and total weight of waste in the past 2 years, and formulated policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption, or other waste management?	V		<p>1. GHG emissions For details of the Company's GHG inventory results and assurance, please refer to the "1-1 and 1-2 GHG Emission Statistics and Assurance" of the annual report or the "Chapter 3 Environmental" of the Company's 2024 ESG Report.</p> <p>2. Water consumption: (All plants and subsidiaries) In 2024, water intake totaled 445,181km<sup>3</sup>, water consumption totaled 157,357km<sup>3</sup>, and water consumption density totaled 31.06. In order to properly utilize and implement water recycling measures, process condensate, cooling water and wastewater were recycled and reused, In 2024, 20,584 metric tons were recycled and reused, down 2.73% from 21,162 metric tons in 2023.</p> <p>3. Total waste generation (metric tons): (All plants and subsidiaries)</p> <table border="1"> <thead> <tr> <th>Year</th><th>Hazardous waste</th><th>Non-hazardous waste</th><th>Annual increase/decrease percentage</th><th>Waste density (T/M)</th></tr> </thead> <tbody> <tr> <td>2023</td><td>0.000025</td><td>5,821.9</td><td>-</td><td>0.3569</td></tr> <tr> <td>2024</td><td>0.00003</td><td>6,260.5</td><td>7.53%</td><td>0.437</td></tr> </tbody> </table> <p>4. The Company has established the "Procedures for Waste Disposal" to strengthen the management of waste disposal, classify the waste generated from operations. We commission qualified professional environmental protection companies to dispose of and report the waste, and track the final destination of waste.</p> <p>5. For recyclable food by-products, agricultural by-products, and other process wastes generated from operations, the Company has developed an agri-food circular economy model technology to produce organic compost for planting. The Company buys back the plants after harvest to produce related products for sale, maximizing the use of resources. In 2024, 27,417.3 tons of by-products and waste were recovered. For relevant management policies, please refer to the 2024 ESG Report.</p>	Year	Hazardous waste	Non-hazardous waste	Annual increase/decrease percentage	Waste density (T/M)	2023	0.000025	5,821.9	-	0.3569	2024	0.00003	6,260.5	7.53%	0.437	None
Year	Hazardous waste	Non-hazardous waste	Annual increase/decrease percentage	Waste density (T/M)															
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2024	0.00003	6,260.5	7.53%	0.437															
IV. Social Topic																			
(I) Has the company established management policies and procedures in accordance with related laws and regulations and the International Bill of Human Rights?	V		The Company complies with international human rights standards, including "Universal Declaration of Human Rights", "The Ten Principles of the UN Global Compact (UNGC)", and "The ILO Declaration on Fundamental Principles and Rights at Work" and other labor-related laws and regulations to protect the legal rights of employees. We have established the "Human Rights Policy of FWUSOW INDUSTRY CO., LTD." which has been disclosed on the website. The Company also requires its affiliates and suppliers to comply with the Human Rights Policy, and provides grievance channels. In case of violation of human rights, the Company will conduct an investigation procedure immediately and implement remedial and improvement measures, including but not	None															

Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons								
	Yes	No	Summary									
			<div>limited to the following</div> <table><tr><td>Human Rights Management Policy</td><td>Concrete plans</td></tr><tr><td>Create a friendly, safe and healthy work environment</td><td>For details, please see "Occupational Health Promotion" on p.68 of the annual report.</td></tr><tr><td>Establish labor-management communication channels</td><td>1. We have established a human rights policy, employee grievance management guidelines, and sexual harassment prevention and disciplinary measures; internal and external whistleblowing mailbox has also been set up to ensure and enhance employee rights and interests. 2. The Company has established a Fwusow Industry Union and holds regular member meetings to protect employees' rights and improve the working environment.</td></tr><tr><td>Personal data protection</td><td>At Fwusow, we have a personal information protection management system in place. We also strengthen employee education and training, and ensure information confidentiality during business operations.</td></tr></table> <div>In 2024, no violation of the Human Rights Policy was reported. The Company also organized human rights protection training totaling 100 man-hours. The Company will continue to pay attention to human rights issues and conduct training to enhance employees' awareness of human rights.</div>	Human Rights Management Policy	Concrete plans	Create a friendly, safe and healthy work environment	For details, please see "Occupational Health Promotion" on p.68 of the annual report.	Establish labor-management communication channels	1. We have established a human rights policy, employee grievance management guidelines, and sexual harassment prevention and disciplinary measures; internal and external whistleblowing mailbox has also been set up to ensure and enhance employee rights and interests. 2. The Company has established a Fwusow Industry Union and holds regular member meetings to protect employees' rights and improve the working environment.	Personal data protection	At Fwusow, we have a personal information protection management system in place. We also strengthen employee education and training, and ensure information confidentiality during business operations.	
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Personal data protection	At Fwusow, we have a personal information protection management system in place. We also strengthen employee education and training, and ensure information confidentiality during business operations.											
(II) Has the company established and implemented reasonable measures for employee benefits (including remuneration, holidays and other benefits), and does the company appropriately reflect the business performance or achievements in the employee remuneration?	V		<div>The Company's employee benefits and leave are in compliance with the Labor Standards Act.</div> <div>1. Employee remuneration policy The remuneration to employees is determined by their education, professional knowledge and skills, contribution to the Company, and personal performance. The remuneration is adjusted according to the market salary, economic and industrial changes, and the government's regulatory dynamics. If the Company makes a profit in a year, 2% of the profit is appropriated as remuneration to employees. To encourage employees to achieve the production, business and profit targets set, the Company evaluates the personal performance of employees and issues performance bonuses accordingly.</div> <div>2. Leave system The Company has established a leave system in accordance with the Labor Act and included it in the "Work Rules" for employees.</div> <div>3. Employee welfare measures We are committed to building a comprehensive employee care system and providing comprehensive welfare plans: We provide employees with a quality health insurance plan that covers health insurance, research of fidelity bond insurance, employee events, gift and allowance, facilities and equipment, retirement planning, lactation rooms, and childcare allowances. In case of major changes, emergency relief mechanisms are available to provide immediate assistance and support. In addition, we also offer a shareholding trust</div>	None								

Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons												
	Yes	No	Summary													
			<p>program, in which 30.7% of employees participated in 2024, demonstrating the Company's confidence in its long-term development.</p> <p>4. Equal and diversified workplace The Company is committed to equal and diversified treatment in the workplace regardless of gender, race, religion, political stance or other differences. At Fwusow, we hire people with disabilities and we respect the cultural backgrounds of our indigenous and foreign employees. In 2024, female employees accounted for 31.4% of the workforce, and female executives accounted for 7.5% of the workforce.</p>													
(III) Does the company provide employees with a safe and healthy work environment, and provide regular safety and health education to employees?	V		<p>1. The Company has formed the Occupational Safety and Health Committee, which had four meetings in 2024. The Committee regularly organizes employee health checkups and safety and health seminars. The Committee also routinely inspects fire safety and health-related equipment and facilities, and strengthens personnel safety hazard awareness. In doing this, we are able to provide employees with a safe and comfortable working environment. Taichung Port Plant and Shalu Plant have obtained ISO 45001 Occupational Safety and Health Management System and the TOSHMS certification (currently effective from October 21, 2022 to October 20, 2025).</p> <p>2. The disabling injury frequency rate in 2024 was 5.36, with 6 employees (accounting for 0.92% of the total workforce). For the occurrence of occupational accidents, first-aid measures are carried out immediately to reduce injuries. The causes of the accidents are analyzed for improvement to avoid recurrence. For employees who are involved in occupational accidents, we also provide compensation.</p> <p>3. In 2024, one small-scale fire incident occurred at FWUSOW INDUSTRY CO., LTD. (Four major production plants). The fire was put out immediately with no one injured.</p> <p>4. Monitoring of the labor safety operating environment To protect workers from hazards at work, the Company conducts environmental monitoring every year and performs special work health inspections in abnormal work areas based on monitoring results to ensure labor health.</p> <p>Labor safety training in the past three years</p> <table><tr><th>Year</th><th>Number of people trained</th><th>Man-hours of training</th></tr><tr><td>2022</td><td>1,569</td><td>3,680</td></tr><tr><td>2023</td><td>1,204</td><td>2,377.5</td></tr><tr><td>2024</td><td>649</td><td>10,213</td></tr></table>	Year	Number of people trained	Man-hours of training	2022	1,569	3,680	2023	1,204	2,377.5	2024	649	10,213	None
Year	Number of people trained	Man-hours of training														
2022	1,569	3,680														
2023	1,204	2,377.5														
2024	649	10,213														
(IV) Has the company established effective training programs for the career development of employees?	V		<p>We have training programs in place based on the functions of each unit and the career development of employees Through job rotation, we nurture professional and leadership talent and establish a talent training system to help employees pursue growth and development. There is an internal online learning platform to provide employees with voluntary learning. In 2024, the internal and external education and training totaled 10,213 man-hours.</p>	None												
(V) Has the company complied with laws and international standards with respect to the issues of customer health, safety and privacy, marketing and labeling in all products and services offered, and implemented consumer or customer protection policies and complaint procedures?	V		<p>1. The Company's products comply with all relevant domestic and foreign laws and regulations governing food safety, product labeling, customer privacy and marketing.</p> <p>2. The Company has established the "Procedures for Personal Information Protection Management" and assigned dedicated personnel to keep safe the personal information, ensuring customer privacy.</p> <p>3. We have multiple communicator channels (0800 customer service hotline, official website, service mailbox, etc.) in place to protect consumer rights and grievance procedures.</p>	None												



Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(VI) Has the company established supplier management policies demanding suppliers to comply with relevant regulations on issues concerning environmental protection, occupational safety and health or labor human rights? What is the implementation status?	V		<p>1. Suppliers management is conducted in accordance with the "Measures for the Selection of Suppliers". We also request our suppliers to sign the "Supplier CSR Code of Conduct" to jointly comply with human rights, labor conditions, labor safety and health, and fair competition issues.</p> <p>2. Before engaging in a business deal, we must ensure that the supplier is a legally registered vendor, with relevant quality system certifications obtained, such as ISO 9001, FSSC 2000, HACCP, ISO 22000, BRC (global food safety standard certification), and SQF (food safety quality standard). In 2024, we performed on-site evaluations of suppliers' purchasing, process management, and quality systems. All the suppliers passed the evaluations with no serious defects.</p>	None
V. Has the company referred to internationally accepted reporting standards or guidance when preparing sustainability reports to disclose non-financial information? Has the company obtained assurance or guarantee from a third-party verification	V		<p>1. The Company has established its sustainable development strategy and goals in accordance with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and the Global Reporting Initiative (GRI) guidelines, and in response to the Task Force on Climate-Related Financial Disclosures (TCFD), the Sustainable Accounting Standards Board (SASB) standard framework, and the core values of the Company and its professional response to the United Nations Sustainable Development Goals (SDGs). The goal is to strengthen the disclosure of sustainable development information and prepare an ESG report.</p> <p>2. The 2024 ESG Report was commissioned to KPMG for limited assurance in accordance with the Assurance Standards Bulletin No. 1 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information". The report has been published on MOPS and the sustainability website.</p>	None
<p>VI. If the Company has established its own sustainability development principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" please describe its current practices and any discrepancies from the Best Practice Principles:  The Company established the "Sustainable Development Best Practice Principles" in March 2015, which were approved the Board of Directors to implement the sustainable development of the Company. The Board of Directors approved the amendment to the Principles in February 2022. There is no significant discrepancy between the Company's operation and the Principles. There is no significant discrepancy. In accordance with the law, the Company publishes a corporate ESG report every year. The information and data in the annual report are subject to the ESG report.</p>				
<p>VII. Other important information to facilitate the understanding of the status of promotion of sustainable development:</p> <p>(I) Social</p> <p>1. We organized the 10th Cerear Elementary School's Table Tennis Tournament, in which 51 teams signed up with 769 participants.</p> <p>2. The Company has participated in the winter relief event at Huichung Temple, Fo Guang Shan Monastery for 18 years. We also sent a team of 16 volunteers to the site (64 hours of volunteer service in 2024) to help distribute supplies, turning care into action.</p> <p>3. The Company continued to donate cash and supplies to Bethany Children &amp; Family Foundation, Andrew Charity Association, Food Bank Taiwan, and other charities, while also participating in and sponsoring various public welfare activities, totaling approximately NTD 4,475,000.</p> <p>(II) Environmental</p> <p>1. Continue to purchase local corn and other grain products to reduce carbon emissions from overseas procurement transportation.</p> <p>2. As of the end of 2024, the Company continued to pass the ISO 9001, SQF, FSSC 22000, ISO 22000, and TQF certifications.</p> <p>3. The subsidiary Charming Food has obtained the ISO 14067:2018 carbon footprint verification statement for Frozen Grade 2 Chickens.</p> <p>4. The Company has adopted ISO 50001 Energy Management System to monitor energy consumption and improve efficiency. ISO 50001 energy management system was introduced to the Lukang Plant in 2024.</p> <p>5. The Company has purchased high-efficiency motors, energy-saving LED lighting fixtures, and air-conditioners, which is expected to reduce 369.3 tCO<sub>2</sub>e.</p> <p>6. The Company's 5 sesame oil, 2 Katsubushi Bonito flake, and 15 GREENS products have been certified for carbon footprint label, totaling 22 products.</p> <p>(III) Governance</p> <p>The Company participated in the 2024 D&amp;B ESG Appraisal, and the overall score was higher than the average score of the industry, and the Company was certified with the sustainable label.</p> <p>(IV) Honors and awards</p> <p>We won a number of awards in Taiwan and abroad, including the "Taiwan Corporate Sustainability Award (TCSA)" Platinum Award for report for the first time, "Global Corporate Sustainability Award (GCSA)" Bronze Award for English report, and the "Sustainable Environment Award (SGS)" for environmental aspects. We were selected as one of the top 100 companies in terms of carbon competitiveness by BusinessWeekly Magazine. In addition, our chairman won the "Asia Pacific Enterprise Awards (APEA) - Excellent Enterprise Leader Award", and the "Happy Enterprise" Gold Award from 1111 Job Bank for five consecutive years</p>				

Evaluation Item	Status			Discrepancies with the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and reasons
	Yes	No	Summary	
(V) Information on corporate ESG report Please visit the Company's website <a href="https://www.fwusow.com.tw/index.php/download/itemlist/category/126">https://www.fwusow.com.tw/index.php/download/itemlist/category/126</a>				

## Implementation of climate-related information:

Item	Implementation status
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and management.	<p>1. The Board of Directors is the highest level of governance, and regularly reviews climate risks and opportunities, and pays attention to major climate issues, in order to effectively prevent and manage potential risks and ensure the Company's stable operations.</p> <p>2. The "TCFD Committee" was established, with the general manager as the chairman, and other senior executives forming a task force responsible for collecting, assessing and identifying climate risks and opportunities. Based on the results of the risk assessment, response strategies and targets are formulated, and the progress of implementation is tracked to ensure effective governance and continuous monitoring of climate issues, and to ensure that climate risk management is implemented in daily operations.</p> <p>3. The Risk Management Committee was established in 2024 to be responsible for the Risk Management Policy and Procedures, including climate-related risks, and other operational risk identification, as well as the formulation of response measures. The implementation status is reported to the Board of Directors once a year.</p>
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	<p>1. The Company conducted a TCFD assessment in 2024, and all bases in Taiwan (including subsidiaries, Charming Food, Wan-Ji-Sheng and Fwusow New Industry) were included in the assessment to fully evaluate and quantify the impact of climate risks and opportunities.</p> <p>2. Short-term is defined as less than 5 years, mid-term is 5-15 years, and long-term is more than 15 years. We assess the impact of related climate risks and opportunities on the Company's potential operations and finance. In 2024, two major short-term risks and two major short-term opportunities were identified and medium- and long-term risks and opportunities were not identified. We have also formulated response strategies d as shown in Table 1 - Impact of Climate Change Risks and Opportunities on Finance.</p>
3. Describe the financial impact of extreme climate events and transformation actions.	For the financial impact of extreme climate events and transformation actions, please refer to Table 1
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	To effectively manage and respond to the impacts brought by climate change risks, the TCFD Committee has been established to identify, assess and formulate countermeasures for the possible climate change transformations and physical risks and opportunities. Climate-related risk management processes are incorporated into the risk management procedures. The results and implementation status are compiled by the Risk Management Committee and reported to the Board of Directors every year.
5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	<p>The Company uses a multi-scenario approach to assess climate change risks, which mainly include the following:</p> <p>1. Transformation risk scenario:</p> <ul style="list-style-type: none"> <li>Scenario of the Intended Nationally Determined Contributions (INDC)</li> <li>Main parameter: The target is to reduce carbon emissions by 24% by 2030 from 2005 (reduced to 2.03 million metric tons).</li> <li>Assessment of financial impact:</li> </ul> <p>(1) Based on the forecast of the electricity tariff changes of TPC (NTD 3.53 per kWh in 2022 → NTD 3.75 per kWh in 2023)</p> <p>(2) Assumption: Annual growth rate of 6.5%</p> <p>(3) Estimated additional expenditure: NTD 5.48 million.</p> <ul style="list-style-type: none"> <li>Countermeasures: The Company has adopted ISO 50001 energy management system to prioritize the investment in energy-saving projects with high return on investment.</li> </ul> <p>2. Physical risk scenario:</p> <ul style="list-style-type: none"> <li>The Shared Socioeconomic Pathways (SSP) of TCCIP used</li> <li>Scenarios: <ul style="list-style-type: none"> <li>(1) SSP5-8.5 (very high emission scenario)</li> <li>(2) SSP3-7.0 (high emission scenario)</li> </ul> </li> <li>Major analysis factors: <ul style="list-style-type: none"> <li>(1) Temperature change trend</li> <li>(2) Changes in rainfall pattern</li> </ul> </li> <li>Assessment outcome: RCP8.5 scenario - end-of-century rainfall may not reach the Meteorological Office's criteria for heavy rainfall</li> <li>Actual impact in 2023: No flooding or drainage system load problem in the plant.</li> </ul> <p>After the above scenario analysis, the relevant risks have not yet reached the major risk level. The Company continues to strengthen energy conservation and carbon reduction measures to improve climate resilience and reduce the risk of future operating cost increases.</p>
6. If there is a transformation plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	The Company's response to the management of climate risks is as shown in Table 1, the management strategies, indicators and targets.
7. If internal carbon pricing is used as a planning tool, the basis for setting the pricing shall be stated.	The Company has not yet used the internal carbon pricing.

<p>8. If climate-related goals have been set, specify the activities covered, the scope of GHG emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified.</p>	<ul style="list-style-type: none"> <li>• For the scope of GHG emissions, the schedule, and the progress achieved each year, please refer to 1-1 and 1-2.</li> <li>• The Company did not use carbon credits or renewable energy certificates (RECs).</li> </ul>
<p>9. Greenhouse gas inventory and assurance status, as well as reduction goals, strategies, and concrete action plans (1-1 and 1-2 to be filled out)</p>	<p>For GHG inventory and assurance status, as well as reduction goals, strategies, and concrete action plans, please see 1-1 and 1-2.</p>

Table 1 - Impact of Climate Change Risks and Opportunities on Finance

Category	Climate-related issues	Impact and potential financial impact	Countermeasures	2023 implementation status	Indicators and targets
Transformation risks/Opportunities	Management of GHG emissions, carbon tax, and carbon tax levy	After assessment, there is no significant risk and potential financial impact.			
	Renewable energy regulations	Compulsory installation of renewable energy devices to a certain percentage, and if the installation is insufficient, additional capital expenditure is required.	The solar panels are set up to generate power for sale to TPC.	The solar power generation in 2023 was 4,181.34 kW, and 330kW solar power generation installation will be added in 2024.	Increase the solar panel power generation 1. Target: 4,300kW by 2025 2. Target: 4,500kW by 2030
	Energy transformation (rising price of purchased electricity)	After assessment, there is no significant risk and potential financial impact.			
	Fluctuation of raw material costs	Imported raw materials such as corn and soybeans are prone to climate change and geopolitical conflicts, which may delay the import of raw materials and affect direct operating costs.	The Company keeps track of changes in the market and adjusts the schedule of procurement flexibly to grasp the future price and reduce the risk of cost fluctuations.	Procurement is diversified in Europe and the US. Inventory is increased from 1 month to 2 months.	
Physical risks	Water shortage and drought	Taiwan is affected by seasonal and geographic factors, and rainfall is not even. Therefore, some areas have imbalance water supply, resulting in water shortage and drought risks, affecting operations and revenues.	1. Plan to check the water usage facilities to improve the water efficiency. 2. In case of drought, the Company will establish a crisis management team and flexibly adjust the production schedule.	In 2023, steam condensate recovery and reuse totaled 16,496 metric tons, an increase of 20.44% compared to 2022; process cooling water recovery and reuse totaled 4,666 metric tons, a significant increase of 142.52% compared to 2022.	Increase steam condensate recovery 1. Target: 17,000 metric tons by 2025 2. Target: 18,500 by 2030
	Increased number of typhoons/ worsening rainstorms	After assessment, there is no significant risk and potential financial impact.			
	Rising temperatures	After assessment, there is no significant risk and potential financial impact			
	Sea level rise	After assessment, there is no significant risk and potential financial impact			
Climate opportunities	Expand the scope of GHG inventory voluntarily	Expand the scope and verification of GHG inventory, and increase operating costs.	1. Complete the GHG inventory as soon as possible; formulate a carbon reduction strategy; promote the awareness of sustainability to the supply chain and consumers, further increasing sales growth. 2. Demonstrate the Company's various achievements in sustainable development.	1. In 2023, GHG inventories were completed and verified for the parent company's four major production plants. 2. The subsidiaries, Charming Food and Wan-Ji-Sheng are expected to complete GHG inventory and verification in 2026.	Reduce GHG emission intensity 1. Target: 1.89 by 2025 2. Target: 1.65 by 2030
	Carbon Footprint/Carbon Labeling Application	After assessment, there is no significant opportunity impact			

The indicators and targets set for climate risks and opportunities are disclosed and tracked in the annual sustainability report.

## 1-1 Greenhouse Gas Inventory and Assurance for the past Two Years

### 1-1-1 Greenhouse Gas Inventory Information

According to the sustainable development roadmap for TWSE/TPEX-listed companies, the parent company shall start the GHG inventory in 2026, and the subsidiaries in 2027. Since 2020, Fwusow has been voluntarily conducting the ISO 14064-1 greenhouse gas inventory, and has applied for carbon footprint certification for 22 products. The Company has also introduced ISO50001 energy management system. The 2025 GHG inventory will be verified by SGS.

The 2023 and 2024 GHG inventory data are based on the operational control method, and the GHG inventory is summarized as follows:

Year	Scope	Emissions (ton CO <sub>2</sub> e)				Intensity (CO <sub>2</sub> e equivalent/NTD million revenue)
		Scope 1	Scope 2	Scope 3 (Voluntary disclosure)	Total	
2023	Parent company	7,546.459	12,151.685	4,437.601	24,135.75	1.61
2024	Parent company	7,892.17	12,609.16	4,611.05	25,112.38	1.75

Remark: The scope of inventory of GHG emissions for 2023 and 2024 covers four major production plants of the parent company (Shalu Plant, Taichung Port Plant, Lukang Plant, and Kaohsiung Plant).

### 1-1-2 Greenhouse Gas Assurance Information

The scope of assurance of the total GHG emissions disclosed by the Company for 2023 and 2024 is the Company an entity, including the Shalu Plant, Taichung Port Plant, Lukang Plant, and Kaohsiung Plant. In the disclosure of the total GHG emissions, Scope 1 and Scope 2 have been assured by SGS Taiwan, a certification body, to comply with the reasonable assurance level according to the ISO 14064-3 standard, and Scope 3 has a limited assurance level.

The relevant information on the GHG inventory will be disclosed in the 2024 sustainability report and sustainability website. In addition, the Company has completed GHG inventories and verifications of the four major production plants in 2024; group-wide inventories and verifications of the parent company and subsidiaries are expected to be completed in 2026.

## 1-2 Greenhouse Gas Reduction Targets, Strategies and Concrete Action Plans

### (1) Short-term targets:

Based on the GHG emission intensity 2.36kg CO<sub>2</sub>e/NTD thousand in 2019 - 20% drop in emission intensity to 1.89% and 30% drop in emission intensity to 1.65% by 2025 and 2030, respectively.

### (2) Mid- and long-term targets:

The target emission intensity by 2040 is reduced to 1.5, and the target emission intensity is reduced to 1.3 by 2050.

Achievement of 2024 short-term target: The 2024 GHG emission intensity was 1.75 tCO<sub>2</sub>e/million, achieving 108% of the 2025 target and 94% of the 2030 target.

Achievement of 2024 mid and long-term target: Achieving 86% of the 2040 target and 74% of the 2050 target.

### (3) Reduction strategy and action plan

1. Purchase of high-efficiency motors (IE3) to replace old energy-consuming motors; 2. Purchase of energy-saving LED lighting fixtures; 3. Purchase of high-efficiency electric air compressor to replace diesel stackers; 4. Purchase of high-efficiency air compressors, reducing 369.3 t Co<sub>2</sub>e in 2024.
2. Successively update equipment, introduce the ISO 50001 energy management system, and improve energy consumption efficiency.
3. In 2024, the solar power generation system generated 4,069 kWh of electricity We will continue to increase solar power generation.
4. In 2024, the parent company's four main production plants (Shalu Plant, Taichung Port Plant, Lukang Plant, and Kaohsiung Plant) have completed ISO 14064-1 GHG inventory and verification. It is expected that the parent company and subsidiaries' GHG inventories and verifications will be completed in 2026.

(VI) The state of the performance in the area of ethical corporate management and discrepancies with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:

Evaluation Item	Status			Discrepancies with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:
	Yes	No	Summary	
I. Formulation of ethical management policies and action plans				
(I) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	V		The Board of Directors has approved the establishment of the "Ethical Corporate Management Best Practice Principles" to establish a corporate culture of ethical management and to implement corporate governance. The Board of Directors and management also actively implement the commitment of operating policies. The relevant measures are disclosed on the Company's website and the MOPS.	None
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within its business scope on a regular basis which have a higher risk of unethical behavior, and established prevention programs that at least cover the preventive measures specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The "Procedures for Ethical Management and Guidelines for Conduct" established by the Board of Directors of the Company clearly stipulate the prevention programs for business activities with unethical conduct risks. The Ethical Corporate Management Best Practice Principles and the Corporate Governance Best Practice Principles set out preventive measures against unethical behaviors, and cover the business activities or other business activities with high risks of unethical behaviors stipulated in preventive measures specified in Article 7, Paragraph 2 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies. Through sound channels for grievances and whistle-blowing, the Company implements disciplinary actions against violations.	None
(III) Has the company specified operational procedures, behavioral guidelines, disciplining of violations, and an appeal system in the program against unethical conduct, and implemented such programs, and reviewed and revised the aforementioned programs on a regular basis?	V		The "Procedures for Ethical Management and Guidelines for Conduct" specify the procedures for handling violations of ethical management, the disciplinary actions to take, as well as the grievance mechanism. The Ethical Management Promotion Team composed by the Corporate Governance Officer is responsible for the implementation and supervision of operations.	None
II. Implementation of ethical management				
(I) Has the company evaluated the integrity of all counterparties with whom it has business dealings? Are there any integrity terms in the agreements it enters into with business partners?	V		1.The Company assesses the integrity of its business partners and includes the ethical management policy and ethical trading declarations in the contracts entered into with suppliers. 2. The Legal Affairs Office assists in the review of the contract, which includes the terms that the Company may terminate or rescind the contract at any time if the counterparty breaches the ethical management conduct.	None
(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its implementation of ethical management policy and preventive action plans against unethical conduct and the supervision status to the Board of Directors on a regular basis (at least once a year)?	V		The Company has a corporate governance officer under the Board of Directors to be in charge of the management of ethical corporate management. The Ethical Corporate Management Team is responsible for the formulation and supervision of the implementation of ethical corporate management policies and prevention programs, and reports to the Board of Directors at least once a year on the implementation status. The report on the implementation of ethical management was submitted to the Board of Directors on December 24, 2024, covering the implementation of ethical management, the evaluation and operation of preventive measures.	None
(III) Does the company have a prevention policy for conflicts of interest and does it provide appropriate reporting channels and implement the policy?	V		In accordance with the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, the Company shall avoid conflicts of interest and personal interest. The Company also follows the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" to specify the requirements for directors, managers and other attendees to recuse themselves from the meeting if there is a conflict of interest involved.	None
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and does	V		1. In order to implement ethical management, the Company has established an effective accounting system and internal control system. The Audit Office regularly performs internal control	None

Evaluation Item	Status			Discrepancies with the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and reasons:
	Yes	No	Summary	
the internal audit unit propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behavior, or entrust an accountant to carry out the review?			self-assessment operations and reviews them to ensure the effectiveness of the system. The assessment results serve as the basis for issuing a Declaration of Internal Control System, which is submitted to the Board of Directors for approval. 2. Relevant plans are formulated based on the assessment results, the compliance with relevant measures and processes is regularly evaluated, with an audit report prepared to report the audit status to the Board of Directors.	
(V) Does the company organize internal or external training on a regular basis on ethical management?	V		1. The Company has established is Ethical Corporate Management Best Practice Principles, which are promoted internally to root them in the corporate culture. Externally, the Company advocates the importance of ethical management when meeting or signing contracts with vendors. 2. 504 people participated in the internal ethical management training in 2024	None
<b>III. The company's whistle-blowing system</b>				
(I) Has the company established a concrete whistle-blowing and reward system, a convenient whistle-blowing channel, and assigned dedicated staff responsible for handling whistle-blowing matters?	V		The Company has established a system for reporting misconduct, and set up an internal hotline and mailbox for receiving reports, which are processed by dedicated personnel. The Company has also set up a mailbox for reporting misconduct by stakeholders on the Company's website.	None
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	V		The Company has established relevant measures for handling reported misconduct and there is a confidently mechanism in place. All reported misconduct and follow-up are carried out in a confidential manner.	None
(III) Has the company taken appropriate measures to protect whistle-blowers from suffering any improper treatment for reporting an incident?	V		The identity of the whistle-blowers and the content of the report are strictly kept confidential by the Company. Measures are taken to protect whistle-blowers from suffering any improper treatment for reporting an incident.	None
<b>IV. Strengthening of information disclosure</b>				
(I) Has the company disclosed the contents of ethical corporate management and its implementation results on the website and MOPS?	V		The Company has disclosed the Ethical Corporate Management Best Practice Principles and the effectiveness of promotion on the Company's website and MOPS.	None
V. If the Company establishes its own ethical management best-practice principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," please describe its current practices and any discrepancies from the Best Practice Principles: The Company has established the Ethical Corporate Management Best Practice Principles, and has implemented the Principles in daily business management, and there is no discrepancy.				
VI. Other important information that is helpful in understanding the corporate ethical management operation of the Company? (Such as, the Company has the corporate ethical management best practice principles amended, etc.): 1. We have formulated the "Procedures for Ethical Management and Guidelines for Conduct" to specifically regulate the matters to be paid attention to in the course of carrying out business. 2. In accordance with the environmental changes and government policies, the Company will amend the "Ethical Corporate Management Best Practice Principles" and other related measures in a timely manner to meet the requirements of the laws and regulations, and the information will also be disclosed. 3. The Company duly observes applicable laws governing TWSE/TPEX listed companies or other applicable business laws, and strengthens information transparency.				

(VII) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance:

Please refer to page 26 of the annual report.

(VIII) The company's internal control system:

1. Declaration of Internal Control System: See the next page.
2. If a CPA has been entrusted to audit the internal control system, the CPA's audit report shall be disclosed: None.



**FWUSOW INDUSTRY CO., LTD.**

**Declaration of Internal Control System**

Date: March 4, 2025

Based on the findings of a self-assessment, the Company states the following with regard to its internal control system during 2024:

- I. The Company understands it is the responsibility of the Company's Board of Directors and management to establish, enforce, and maintain an internal control system. Its purpose is to provide reasonable assurance on the achievement of operating effectiveness and efficiency (including profits, performance, and assets safeguarding), reporting matters with reliability, timeliness, and transparency, and compliance with relevant laws and regulations.
- II. Internal control systems are prone to limitations. No matter how robustly designed, an effective internal control system merely provides reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of the internal control system. Nevertheless, the internal control system of the Company contains self-monitoring mechanisms, and corrective action is taken whenever a deficiency is identified.
- III. The Company determines the effectiveness of the design and implementation of the internal control system on the basis of the criteria for the effectiveness of internal control systems stipulated in the "Regulations Governing the Establishment of Internal Control System by Public Companies" (hereinafter referred to as the "Regulations"). The criteria introduced by the "Regulations" consist of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, and 5. Supervision. Each element further contains several items. Please refer to the "Regulations" for the details of the said items.
- IV. The Company has adopted the above criteria of internal control systems to assess the effectiveness of the design and implementation of the internal control system.
- V. Based on the findings of the evaluation, the Company believes that, as of December 31, 2024, its internal control system (including the supervision and management of subsidiaries), including the monitoring of the achievement of its objectives concerning operational effectiveness and efficiency, the reliability, and timeliness and transparency of the reporting and compliance with applicable laws and regulations, is effective in design and implementation, and can reasonably assure the achievement of the above-mentioned objectives.
- VI. This Declaration of Internal Control is the content of our annual report and prospectus for the information of the public. For any forgery and concealment of the aforementioned information to the public, we will be held responsible by law in accordance with Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.
- VII. The Declaration was passed by the Board meeting held on March 4, 2025, with all 9 attending directors affirming and 1 director opposing the content of the Declaration.

FWUSOW INDUSTRY CO., LTD.

Chairman: Hung Yao-Kun

General Manager: Chao Wen-Chiang

(IX) Important resolutions of the shareholders' meeting and the Board meetings in the most recent year and up to the date of publication of the annual report:

1. Resolutions of the shareholders' meeting and the implementation thereof:

Date	Meeting	Resolutions of the shareholders' meeting	Implementation status
2024/06/05	Shareholders' Meeting	(1) Ratification for 2023 final accounts. (2) Ratification for 2023 earnings distribution. (3) Motion for capitalization of 2023 earnings by issuing new shares.	(1) The relevant reports have been filed with the competent authority in accordance with the Company Act and other relevant laws and regulations. (2) For the 2023 earnings distribution, cash dividends of NTD 0.50 per share and stock dividends of NTD 0.30 per share were distributed, with July 3, 2024 set as the base date for the distributions. The cash dividends were distributed on July 15, 2024. (3) NTD 99,389,810 of the earnings was appropriated for capital increase, and 9,938,981 new shares were issued at NTD 30 per thousand shares as stock dividends. July 9, 2024 was set as the base date for the distribution, which was completed on September 11, 2024. The change of registration was approved by the Ministry of Economic Affairs on August 26, 2024.

2. Important resolutions of the Board of Directors:

Date of meeting	Summary	Resolution outcome
2024/03/12 14th Term 6th session	1. 2023 performance evaluation report of the Board of Directors and functional committees. 2. Report on GHG inventory schedule 3. Mid-term execution report of the ESG report. (Explain the schedule of preparation of the sustainable development report, identify material topics, and implementation status) 4. Motion for 2023 final accounts. 5. Determination of the date, venue and reason for convening the 2024 Shareholders' Meeting.	Approved as proposed without dissent by all attending directors.
	6. Motion "Declaration of Internal Control System".	7 in favor and 2 against The Board of Directors approved the motion.
	7. Motion for evaluation of the independence of the CPAs.	Approved as proposed without dissent by all attending directors.
	8. Motion for investment of equipment at the Kaohsiung Qiaotou Factory.	4 in favor and 5 against The Board of Directors rejected the motion.
2024/04/16 14th Term 7th session	1. 2024 liability insurance report of directors and supervisors. 2. Motion for 2023 earnings distribution. 3. Motion for capitalization of 2023 earnings by issuing new shares. 4. Motion for 2023 remuneration to employees and directors. 5. New motions added to the 2024 Shareholders' Meeting. 6. Motion for "cash capital increase" by subsidiary Charming Food International Marketing Co., Ltd. 7. Motion for replacement of CPAs to meet regulatory requirements. 8. Motion for renewal of the loan facilities of each bank upon maturity. 9. Motion for renewal of the transaction limit for derivatives related to forward foreign exchange transactions upon maturity with Chang Hwa Bank. 10. Motion for new syndicated loan facility with Taishin International Bank. 11. Motion for subsidiary Charming Food International Marketing Co., Ltd. to apply for endorsement/guarantee for a new loan from Bank of Taiwan. 12. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International Marketing Co., Ltd. from various banks.	Approved as proposed without dissent by all attending directors.
2024/05/07 14th Term 8th session	1. Report on GHG inventory schedule 2. Motion for consolidated financial statements for Q1 2024. 3. Motion for renewal of the loan facilities of each bank upon maturity. 4. Motion for new application for mid- and long-term loans from Taiwan Cooperative Bank, with a maturity of five years. 5. Motion for renewal of the "transaction limit for derivatives related to interest rates, forward exchange forwards, or other underlying prices" upon maturity with Bank of Taiwan. 6. Motion for renewal of "transaction limit for derivatives related to interest rates, forward exchange forwards, or other underlying prices" upon maturity with Taiwan Cooperative Bank. 7. Motion for renewal of "transaction limit for derivatives related to interest rates, forward exchange forwards, options or other underlying prices" upon maturity with First Commercial Bank.	Approved as proposed without dissent by all attending directors.

	8. Motion for the renewal of the endorsement and guarantee amount of the subsidiary endorsement/guarantee from various banks.	1. Approved as proposed without dissent by all attending directors. 2. Resolution: The rate of endorsement/guarantee of Fwusow Industry Co., Ltd. to Charming Food International Marketing Co., Ltd. has been adjusted from 0.5% to 0.75%, taking effect in May 2024.
	9. Motion for preparation of the 2023 Sustainability Report.	Approved as proposed without dissent by all attending directors.
2024/06/05 14th Term 9th session	Matters related to base dates for capitalization of 2023 earnings by issuing new shares and distribution of dividends.	Approved as proposed without dissent by all attending directors.
2024/08/06 14th Term 10th session	1. Closure report of the preparation of the 2023 Sustainability Report. (Explain the risk management, stakeholder communication, sustainable development goals and performance) 2. Motion for consolidated financial statements for Q2 2024. 3. Motion for amendment to the "Risk Management Policy and Procedures".	Approved as proposed without dissent by all attending directors.
	4. Motion for formulation of the "Risk Management Committee Charter" and establishment of the "Risk Management Committee".	1. Approved as proposed without dissent by all attending directors. 2. The convener of the Risk Management Committee is Independent Director Yu Pi.
	5. Motion for formulation of the "Sustainable Development Committee Charter". 6. Motion for formulation of the "Regulations Governing Financial and Business Matters Between Related Parties". 7. Motion for renewal of the loan facilities of each bank upon maturity. 8. Motion for renewal of the transaction limit for derivative financial instruments related to forward foreign exchange transactions upon maturity with E.SUN Commercial Bank. 9. Motion for new syndicated loan facility with Mizuho Bank Taiwan. 10. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International Marketing Co., Ltd. from various banks.	Approved as proposed without dissent by all attending directors.
2024/11/12 3rd term 11th session	1. Report on GHG inventory schedule 2. Motion for consolidated financial statements for Q3 2024.	Approved as proposed without dissent by all attending directors.
	3. Motion for 2025 audit plan.	The audit plan revised by the Audit Committee was approved by all attending directors as proposed.
	4. Motion for earnings distribution for 1H2024.	Approved as proposed without dissent by all attending directors.
	5. Motion to amendment to "List of Delegations of Authority".	8 directors agreed to pass the amended version of delegation of authority, and 1 director had a dissenting opinion on the delegation of authority in (1) personnel (promotion) and (2) payment (raw materials, general payment). The Board of Directors approved the motion.
	6. Amendment to the format of the "Material Information Application and Assessment Form" of the "Procedures for Handling Material Information". 7. Motion for formulation of the "Procedures for Sustainable Information Management". 8. Motion for amendment to the "Internal Control System". 9. Motion for renewal of the loan facilities of each bank upon maturity. 10. Motion for the renewal of the endorsement and guarantee amount of the subsidiary Charming Food International Marketing Co., Ltd. from various banks. 11. Motion for subsidiary Wan-Ji-Sheng Agricultural Technology Co., Ltd. to apply for endorsement/guarantee for a new loan from First Commercial Bank.	Approved as proposed without dissent by all attending directors.
2024/12/24 14th Term 12th session	1. Report on the implementation of the Company's Ethical Corporate Management Best Practice Principles. 2. Intellectual property implementation report. 3. Report on TCFD implementation. 4. Motion for 2025 budget plan. 5. Amendment to the "Procedures for the Preparation and Verification of the ESG Report". 6. Motion for donating NTD 2.5 million to the Fwusow Social Welfare Foundation.	Approved as proposed without dissent by all attending directors.

(X). If the director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors in the most recent year up till the publication date of this annual report, and said dissenting opinion has been recorded or prepared as a written declaration, please disclose the principal content thereof: None.

IV. Information on fees for CPAs:

(I) For non-audit fees paid to CPAs, accounting firms, and affiliates thereof, the amount of audit and non-audit fees, and the service content of audit and non-audit fees:

Unit: NTD thousand					
Name of CPA firm	Name of CPA	CPA's audit period	Audit fee	Non-audit fee	Total
Soloman & Co., CPAs	Chen Tzu-Yu Chang Chun-Fu	2024/01/01 - 2024/12/31	3,618	1,358	4,976

Note: Non-audit fees: Inventory scrap tax certificate - NTD 80 thousand for materials, NTD 500 thousand for internal control audit of financial process, NTD 130 thousand for capitalization of earnings certificate, NTD 165 thousand for 4 tables of TP report and preparation, NTD 360 thousand for TWSE projects, and NTD 123 thousand for provisional tax certificates.

(II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: Not applicable.

(III) Over 10% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

V. Replacement of CPA (Where the company has replaced its certified public accountants within the last 2 fiscal years or any subsequent interim period): Not applicable.

VI. The company's chairman, general manager or any officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its CPAs or at an affiliate of such accounting firm, the name, job title, and the period shall be disclosed: None.

VII. Any transfer of equity and/or pledge of or change in equity interests by a director, supervisor, officer, or shareholder with a stake of more than 10 percent in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(I) Changes in equity of directors, supervisors, managers and major shareholders

Title	Name	2024		As of March 25, 2025	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Director	Hua-Shao Investment Co., Ltd.	1,619,000	0	808,015	0
	Legal Representative: Hung Yao-Kun	299,202	0	(176,000)	0
Director	Hung Yao-Hsin	219,234	0	0	0
Director	Hung Yao-Chih	261,021	0	0	0
Director	Hung Chun-Lin	173,962	0	0	0
Director	Hung Chiang-Ming	89,610	0	0	0
Director	Hung Yao-Chi	16,883	0	0	0
Independent Director	Fang Ming-Tao	0	0	0	0
Independent Director	Yu Pi	0	0	0	0
Independent Director	Huang Shou-Tso	0	0	0	0
General Manager	Chao Wen-Chiang	0	0	0	0
Deputy General Manager	Yang Chun-Hsien	0	0	0	0
Deputy Assistant General Manager	Wang Jen-Chih	0	0	0	0
Deputy Assistant General Manager	Lin Mao-Sheng	27	0	0	0
Deputy Assistant General Manager	Hsu Pei-Yu	0	0	0	0
Deputy Assistant General Manager	Li Hsiao-Wen	0	0	0	0
Deputy Assistant General Manager	Yang-Hsi-Chuan	0	0	0	0
Deputy Assistant General Manager	Huang Cheng-Yun	0	0	0	0
Finance Manager	Tai Chen-Hui	0	0	0	0

(II) Information on transfer of equity by directors, supervisors, managers, and shareholders with more than 10% of the shares

Name (Note 1)	Reason for transfer of shares (Note 2)	Date of transaction	Transaction counterparty	Relations between the counterparty of transaction and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Number of shares	Transaction price
None						

Note 1: Name of the director, supervisor, manager, and shareholder holding more than 10% of the shares.

Note 2: Acquisition or disposal.

## (III) Pledge of shares held by directors, supervisors, managers, and shareholders with more than 10% of the shares

Name (Note 1)	Reasons for changes in pledge (Note 2)	Date of change	Transaction counterparty	Relations between the counterparty of transaction and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Number of shares	Shareholding ratio	Pledge ratio	Amount of pledge (redemption)
None								

Note 1: Name of the director, supervisor, manager, and shareholder holding more than 10% of the shares.

Note 2: Pledge or redemption.

VIII. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another:

March 25, 2025

Name	Number of shares held by the shareholder		Number of shares held by spouse and underaged children		Total number of shares held in the name of others		Names and relationships between the top ten shareholders including spouses and second degree of kinship		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Title (or name)	Relationship	
Hung Yao-Kun	14,662,941	4.29	753,022	0.22	0	0	Hua-Shao Investment Co., Ltd.	Chairman	
Hung Yao-Chih	8,961,731	2.62	88,296	0.03	0	0	Hung Chen-Fa Chiang Ling-Yu Hung Yao-Hao, Hung Yao-Tse	Father and son Mother and son Brothers	
Hung Yao-Tse	8,007,458	2.34	-	-	0	0	Hung Chen-Fa Chiang Ling-Yu Hung Yao-Chih, Hung Yao-Hao	Father and son Mother and son Brothers	
Hung Yao-Hao	7,896,203	2.31	-	-	0	0	Hung Chen-Fa Chiang Ling-Yu Hung Yao-Chih, Hung Yao-Tse	Father and son Mother and son Brothers	
Hua-Shao Investment Co., Ltd.	7,795,347	2.28	-	-	0	0	Hung Yao-Kun	Legal Representative	
Hung Yao-Hsin	7,527,059	2.20	145,037	0.04	0	0	Hung Yao-Hsi	Brothers	
Hung Yao-Hsi	7,520,913	2.20	-	-	0	0	Hung Yao-Hsin	Brothers	
Chiang Ling-Yu	7,464,146	2.19	6,746,000	1.97	0	0	Hung Chen-Fa Hung Yao-Chih, Hung Yao-Tse Hung Yao-Hao	Spouse Mother and son Mother and son	
Hung Cheng-Fang	7,292,634	2.13	1,698,949	0.50	0	0	-	-	
Hung Chen-Fa	6,746,000	1.97	7,464,146	2.19	0	0	Chiang Ling-Yu Hung Yao-Chih, Hung Yao-Tse Hung Yao-Hao	Spouse Father and son Father and son	

IX. The total number of shares and total equity stake held in any single enterprise by the company, its directors, supervisors and, officers, and any companies controlled either directly or indirectly by the company:

December 31, 2024 Unit; shares; %

Investment (Note)	Investment of the Company		Investments of directors, supervisors, managers, and directly or indirectly controlled businesses		Integrated investment	
	No. of shares	Shareholding ratio	Number of shares	Shareholding ratio	No. of shares	Shareholding ratio
Fwusow New Industry Co., Ltd.	5,473,703	99.07%	16,267	0.29%	5,486,552	99.30%
Kinglily Investment Co., Ltd.	10,785,000	85.70%	0	0	10,785,000	85.70%
Yizai Investment Holding Group Co., Ltd.	183,000	100.00%	0	0	183,000	100.00%
Central Union Oil Corp.	19,399,028	32.33%	0	0	19,399,028	32.33%
Chiaton International Co., Ltd.	3,562,501	37.50%	0	0	3,562,501	37.50%
Charming Food International Marketing Co., Ltd.	29,100,000	72.75%	0	0	29,100,000	72.75%
Wan-Ji-Sheng Agricultural Technology Co., Ltd.	19,741,000	98.71%	0	0	19,741,000	98.71%

Note: Investments accounted for using the equity method by the Company.

### Three. Financing Activities

#### I. Company capital and shares

##### (I) Source of capital

##### 1. Formation of capital

Date		Issuance price	Authorized capital		Paid-in capital		Source of capital	Paid in properties other than cash	Other
Year	Month		Number of shares (thousand shares)	Amount in Gold (NTD thousand)	Number of shares (thousand shares)	Amount in Gold (NTD thousand)			
1991	08	10	165,000	1,650,000	165,000	1,650,000	Capital increase in cash by NTD 250000 thousand NTD 87500 thousand of surplus transferred to capital Capital reserve NTD 62500 thousand	None	(80) Tai-Cai-Zheng(1) No. 02144 dated 1991.08.02
1992	09	10	230,000	2,300,000	181,500	1,815,000	NTD 33000 thousand of surplus transferred to capital Capital reserve NTD 132000 thousand	None	(81) Tai-Cai-Zheng(1) No. 02428 dated 1992.09.19
1994	06	10	230,000	2,300,000	190,575	1,905,750	Capital reserve NTD 90750 thousand	None	(83) Tai-Cai-Zheng(1) No. 28037 dated 1994.06.20
1995	06	10	230,000	2,300,000	200,103	2,001,037	Capital reserve NTD 95287 thousand	None	(84) Tai-Cai-Zheng(1) No. 32960 dated 1995.06.05
1996	06	10	230,000	2,300,000	230,000	2,300,000	Capital increase in cash by NTD 198911 thousand NTD 100052 thousand of surplus transferred to capital	None	(85) Tai-Cai-Zheng(1) No. 33629 dated 1996.06.08
1997	05	10	276,000	2,760,000	241,500	2,415,000	NTD 46000 thousand of surplus was transferred to the capital. Capital reserve NTD 69000 thousand	None	(86) Tai-Cai-Zheng(1) No. 42244 dated 1997.05.26
1998	06	10	276,000	2,760,000	246,330	2,463,300	NTD 48300 thousand of surplus transferred to capital	None	(87) Tai-Cai-Zheng(1) No. 48089 dated 1998.06.20
2002	06	10	276,000	2,760,000	245,026	2,450,260	Cancellation of treasury stock NTD 13,040 thousand	None	(91) Shang-Zi No.012923 dated 2002.06.10

2003	02	10	276,000	2,760,000	272,229	2,722,294	Consolidated capital increase of NTD 306,000 thousand NTD 33,966 thousand was canceled	None	(91) Tai-Cai-Zheng-Yi-Zi No. 0910154807 dated 2002.10.24
2006	09	10	276,000	2,760,000	266,318	2,663,184	Cancellation of treasury stock NTD 59,110 thousand	None	Tai-Zheng-Shang-Zi No. 0950025510 dated 2006.09.25 No. 0950025510
2008	07	10	276,000	2,760,000	274,308	2,743,080	NTD 53,264 thousand of surplus was transferred to the capital. Capital reserve NTD 26632 thousand	None	Jin-Guan-Yi-Zi No. 0970036894 dated 2008.07.22 No. 0970036894
2010	07	10	320,000	3,200,000	283,909	2,839,087	NTD 96,008 thousand of surplus was transferred to the capital.	None	Jin-Guan-Zhen-Fa-Yi-Zi No. 0990036618 dated 2010.07.18 No. 0990036618
2011	07	10	320,000	3,200,000	292,426	2,924,260	NTD 85,173 thousand of surplus was transferred to the capital.	None	Jin-Guan-Zhen-Fa-Zi No. 1000033218 dated 2011.07.14 No. 1000033218
2012	06	10	320,000	3,200,000	307,047	3,070,473	NTD 146,213 thousand of surplus was transferred to the capital.	None	Jin-Guan-Zhen-Fa-Zi No. 1010028796 dated 2012.06.29 No. 1010028796
2013	07	10	320,000	3,200,000	313,188	3,131,882	NTD 61,409 thousand of surplus was transferred to the capital.	None	Jin-Guan-Zhen-Fa-Zi No. 1020026261 dated 2013.07.05 No. 1020026261
2015	07	10	320,000	3,200,000	318,825	3,188,256	NTD 56,373 thousand of surplus was transferred to the capital.	None	Jin-Guan-Zhen-Fa-Zi No. 1040025322 dated 2015.07.06 No. 1040025322
2017	08	10	350,000	3,500,000	322,013	3,220,138	NTD 31,882 thousand of surplus was transferred to the capital.	None	Jing-Shou-Shang-Zi No. 10601117260 dated 2017.08.17 No. 10601117260
2023	08	10	500,000	5,000,000	331,663	3,316,634	NTD 96,495 thousand of surplus was transferred to the capital.	None	Jing-Shou-Shang-Zi No. 11230148930 dated 2023.08.07 No. 11230148930
2024	08	10	500,000	5,000,000	341,602	3,416,024	NTD 99,390 thousand of surplus was transferred to the capital.	None	Jing-Shou-Shang-Zi No. 11330136170 dated 2024.08.26 No. 11330136170

Note: No property other than cash was used to offset the number of shares

## 2. Types of shares

Types of shares	Authorized capital				Remark
	Shares outstanding	Treasury shares	Unissued shares	Total	
Common shares	341,238,364	364,000	158,397,636	500,000,000	TWSE-listed stocks

3. Information on the general reporting system: None.



(II) List of major shareholders: List of all shareholders with ownership of 5 percent or greater, or the top ten shareholders by shareholding.

March 25, 2025

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Hung Yao-Kun	14,662,941	4.29
Hung Yao-Chih	8,961,731	2.62
Hung Yao-Tse	8,007,458	2.34
Hung Yao-Hao	7,896,203	2.31
Hua-Shao Investment Co., Ltd.	7,795,347	2.28
Hung Yao-Hsin	7,527,059	2.20
Hung Yao-Hsi	7,520,913	2.20
Chiang Ling-Yu	7,464,146	2.19
Hung Cheng-Fang	7,292,634	2.13
Hung Chen-Fa	6,746,000	1.97

(III) Dividend policy and implementation

1. Dividend policy: The Company's earnings distribution or loss appropriation may be made after the end of each half fiscal year. If the Company has earnings in the final accounting of each half fiscal year, the Company shall estimate and retain the taxes and dues to be paid, offset previous losses, and 10% of the earnings shall be set aside as legal reserve. However, this is does not apply if the legal reserve has reached the same amount as the Company's paid-in capital. If there are still earnings after the legal reserve is set aside or reversed in accordance with the laws or regulations of the competent authority, the Company shall add the accumulated undistributed earnings of the first half fiscal year to the accumulated distributable earnings, which the Board of Directors may propose as earnings distribution in cash in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act, and submit the proposal to the shareholders' meeting for ratification. If the issuance of new shares is adopted, it shall be proposed to the shareholders' meeting for resolution before distribution. If the Company has earnings in a fiscal year, the earnings shall be first used for tax payments, offsetting prior losses, setting aside as legal reserve 10% of the remaining earnings. However, this is does not apply if the legal reserve has reached the same amount as the Company's paid-in capital. If there are still earnings after the legal reserve is set aside or reversed in accordance with the laws or regulations of the competent authority, the Company shall add the accumulated undistributed earnings of the fiscal year to the accumulated distributable earnings, which the Board of Directors may propose as earnings distribution in cash in accordance with Article 228-1 and Paragraph 5, Article 240 of the Company Act. The proposal shall be reported at the shareholders' meeting and does not require ratification by the shareholders' meeting. If the issuance of new shares is adopted, it shall be proposed to the shareholders' meeting for resolution before distribution. The Company's dividend policy takes into account future capital needs, long-term financial planning, and the interests of shareholders. Each year, 40% to 90% of the distributable earnings are appropriated as dividends to shareholders. Cash dividends shall not be less than 10% of the total dividends. If the cash dividend is less than NTD 0.1 per share, the dividend will be distributed in the form of stock dividends.

2. Dividend distribution proposed at the shareholders' meeting:

The Board of Directors resolved to distribute cash dividends of NTD 0.5 per share from earnings.

3. Description of expected material changes in dividend policy: None.

(IV) The effect of the current bonus shares on the operating performance, EPS and return on shareholder's investment: None.

(V) Remuneration to employees and remuneration to directors:

1. The percentages or ranges with respect to remuneration to employees and remuneration to directors as set forth in the Company's Articles of Incorporation:

If the Company makes a profit in a year, it shall allocate 2% of the profit as remuneration to employees and no more than 5% as remuneration to directors. The allocation shall be reviewed and approved by the Remuneration Committee and then resolved by the Board of Directors. The distribution of remuneration to employees and directors shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, the amount of accumulated losses shall be set aside before the appropriation, and then the remuneration to employees and directors shall be appropriated in accordance with the aforementioned percentages.

2. Basis for estimating the remuneration to employees and directors, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

- (1) Basis for estimating the remuneration to employees and directors:

If the Company makes a profit in a year shall allocate 2% of the profit as remuneration to employees and no more than 5% as remuneration to directors.

- (2) Basis for calculating the number of shares to be distributed as employee remuneration: None.

- (3) Accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure: Adjustments to the actual allotment amount are recognized in profit or loss for the year.

3. Distribution of remuneration in 2024 approved by the Board of Directors:

- (1) Amount of remuneration to employees and directors paid in cash.

Remuneration to directors: NTD 11,228 thousand; Remuneration to employees: NTD 4,491 thousand, totaling NTD 15,720thousand.

The amount of distribution approved by the Board of Directors is no different from the amount recognized in the financial statements.

- (2) The amount of employee remuneration distributed in stock and the ratio to the net income after tax and total employee remuneration in the parent company only financial statement or individual financial report for the current period: Not applicable.

4. The actual distribution of employees' and directors' remuneration in the previous year, and any discrepancy between the actual distribution and the recognized employees' and directors' remuneration, the amount, causes and treatment of such discrepancy:

Remuneration to directors: NTD 19,694 thousand; Remuneration to employees: NTD 7,878 thousand, totaling NTD 27,572 thousand.

There is no discrepancy between the actual amount paid and the amount recognized in the financial statements.

(VI) Shares repurchased by the Company:

1. Shares repurchased by the Company (completed): Not applicable.
2. Shares repurchased by the Company (in progress): Not applicable.

II. Corporate bonds: None.

III. Preferred shares: None.

IV. Global depository receipts: None.

V. Employee share subscription warrants: None.

VI. Restricted stock awards: None.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: None.

VIII. Implementation of capital utilization plans: None.

## Four. An Overview of Operations

### I. Description of business:

#### (I) Scope of business

##### 1. The main scope of business:

Manufacturing and sales of feeds, consumer foods, edible oils and fats, soybean flour, barley products, grain foods, organic fertilizers, import and export international trade, and import and sale of bulk grains.

##### 2. Major products

Salad oil, sesame oil, soybean flour, grain foods, consumer foods, livestock and aquatic feed, organic fertilizers, oatmeal products, and livestock products.

##### 3. Business weighting:

Major products/items	Business weighting
Feeds	35.5%
Oil & fat products	25.6%
Single flavor products	22.3%
Organic fertilizers	3.0%
Bulk grains	9.8%
Other (including livestock products)	3.8%
Total	100.0%

##### 4. Development of new products planned:

Snacks combining grains and nuts, liver health feed for laying hens, lutein hen feed, health feed for nursery pigs, high energy sinkable eco-feeds for groupers, high energy floating eco-feed for fourfinger threadfin, add domestic agricultural resource compound fertilizer, carbon-reducing composite fertilizers, microbial agent product application development, leisure horticulture modular products, and vegetable and food cultivation set technology development.

### (II) Industry overview:

#### 1. Feeds

- (1) The cost of main and secondary raw materials such as domestic corn and soybean flour continues to rise due to the significant increase in the cost of main and secondary raw materials including rice and wheat caused by port operations and other factors, which in turn affects the profitability of enterprises.
- (2) The surge in raw materials has increased the cost of feed, as well as the operating risks of farmers, which in turn affects their willingness to continue farming and feed demand. In addition, the impact of highly pathogenic avian influenza ( HPAI ) H5N1 outbreak, the Porcine reproductive and respiratory syndrome (PRRS) and the porcine epidemic diarrhea (PED) virus have also caused the domestic egg and meat prices to continue to rise.
- (3) Consumers are increasingly concerned about "food safety" and their dietary habits are gradually changing, which leads to changes in the market structure. Therefore, enterprises must improve their flexibility and control over the safety of their feed.

#### 2. Edible oils and fats:

- (1) The oil and fat industry in Taiwan is a traditional and mature industry. Oils and fats are also the core business of the Company. Based on edible vegetable oils and fats, the Company fulfills the demand of the public for healthy diet and requires the production of edible vegetable oils to be of high quality, safety, and honesty. As the consumption habit changes, it is necessary to keep track of the market trend and provide diversified healthy edible vegetable oils and develop towards a full channel development.
- (2) In response to changes in future consumption habits, distribution and trading patterns, the Company pays close attention to the sustainability of the environment. The Company reevaluates its future direction, grasps market fluctuations, and will take advantage of its expertise to achieve high utilization of raw

materials.

- (3) The bulk products are mainly daily necessities. Changes in the international situation will cause consumers to expect psychological fluctuations or panic, and it is normal for market supply and demand to fluctuate. However, an abnormal change in the international situation or intervention in the market operation mechanism will cause unbalanced supply and demand and prices to drastically fluctuate. The Company has confidence in stable supply and will do its best to provide market demand.

### 3. Organic fertilizers, microbial fertilizers and biopesticides:

- (1) The proportion of domestic use of chemical fertilizers is relatively high. As chemical fertilizers are closely linked to the international petrochemical prices, the price of fertilizer will be reflected in the cost of raw materials. In recent years, the price of raw materials fluctuates due to the impact of the war, which has affected the user's willingness of organic fertilizers in the market.
- (2) Given the excellent results of export of quality agricultural products, the domestic tourism and leisure agriculture industry is thriving. It is necessary for the industry to strive for improving the quality and quantity of agricultural products. This will have a positive impact on the demand for organic fertilizers, which in turn will affect the prospects of the organic fertilizer-related industries.
- (3) The government promotes the "organic farming" and "Friendly Farm" subsidy policy, which affects the future consumer market trends and levels. The development of "food safety", "environmental protection", and "natural organic" agricultural products will contribute to greater growth opportunities for the industry.
- (4) With the trends of "health and safety", "sustainable agriculture", "energy conservation", "carbon reduction", and "green energy recycling", organic agricultural products, leisure horticulture, and agricultural waste treatment have been popular. This at the same time drives the demand for organic fertilizers, microbial fertilizers, and bio-agricultural pesticides in the market for "safe agriculture" and "organic agriculture".

### 4. Consumer food:

- (1) In response to changes in consumer concepts and market structure, the emphasis on "food quality" is increasing, and food safety issues need to be enhanced for control.
- (2) Consumers' growing concern for health issues.
- (3) The market for products for the elderly population and pet products is growing year by year due to the low birth and aging population.
- (4) The trend of channel consolidation has led to the effect of channel concentration (7-11 merged with Carrefour) and (PX Mart merged with RT-Mart).
- (5) Pet food providers use the concept of preventive healthcare (functional products) as the development trend.
- (6) Development of fresh pet food and healthcare products.
- (7) Post-pandemic era has led to the integration of online e-commerce platform and physical channels.
- (8) Continued growth and development of snack foods.
- (9) Use of local ingredients to promote the agri-food cycle.

### 5. Grain food:

- (1) Volatility of the raw material market, causing higher operating costs and risks.
- (2) In response to changes in consumer concepts and market structure, there is a need to strengthen control and education on food safety issues.

## (III) Technology and R&D overview:

### 1. R&D expenses in the most recent year

R&D expenses invested in 2024 totaled NTD 49,149 thousand.

2. Technology or product developed successfully:

- (1) Sprayable flavorful oil products.
- (2) Extension of the technical analysis of the expiry date of the grain products, and application to the food on campus, to reduce waste of food and implement the environmental sustainability spirit.
- (3) Low protein amino acid balanced eco-friendly pig feed, high efficiency eco-friendly egg laying chicken feed, high efficiency low fishmeal floating eco-feed for barramundi, high efficiency eco-friendly feed for tilapia
- (4) Recycled agricultural products, biological and composite fertilizers, biostimulants, and fertilizers for leisure horticulture.

(IV) Long-term and short-term business development plans

Short-term business development plans:

1. Continue to strengthen the upstream and downstream communication mechanism in the industry and provide customers with compressive information, technology, and value-added services to consolidate our market share.
2. Shorten the delivery lead-time, enhance product quality, and achieve the competitive advantage of high quality and short lead-time.
3. Continue to engage in technical exchanges with related operators in both Taiwan and overseas to enhance competitiveness and strengthen product application and promotion in order to expand market share.
4. The consumers' attention to health is increasing year by year. To meet consumer trends, our products will be diversified and focused on health to create difference.
5. Evaluate the future potential and contribution of customers, and analyze their product sales capabilities for innovation.
6. A well-established product line, supplemented by biopesticides, fertilizers, biostimulants and organic materials, creating a sustainable agricultural environment and helps farmers with the production of safe agricultural products.

Long-term business development plans:

1. Make efforts towards product integration, strengthen product efficiency, and provide high quality and high feed efficiency products to enhance customer satisfaction.
2. Enhance technical exchanges among industry, government, and academia to improve R&D level and effectiveness.
3. With the foundation of mutual trust and mutual benefit, strategic alliances and vertical integration will be performed to build a close supply chain management system.
4. The agri-food cycle has been a trend for the past few years. We will enhance the design and packaging to improve the quality of products, while also developing new products (launch a range of health and function-oriented products) to create a new brand identity for products.
5. Cooperate with the government's agricultural policy to promote organic fertilizer applications, reduce the ratio of chemical fertilizer use, create a cycle, and achieve carbon reduction.
6. In-depth cultivation of Taiwan's sesame oil industry, enabling the Company to become an upstream supplier of the industry, facilitating joint development.

## II. Market, production and sales:

### (I) Market analysis:

Sales regions of the main products:

The Company's feed, oil and organic fertilizer are mainly sold domestically, accounting for 99% of the Company's revenue, while export sales account for 1% of the Company's revenue. The export sales are mainly sold in the Americas, New Zealand, Australia and Asia.

Future supply, demand and growth of the market:

#### 1. Feeds

- (1) In recent years, the drastic climate change has caused frequent outbreaks in the animal husbandry industry, which increases the risk of operation for farmers. Therefore, industry upgrading and farming management have become increasingly important, further speeding up the vertical integration of the upstream and downstream industries.
- (2) Consumer awareness has evolved towards safety, hygiene, freshness, environmental friendliness, convenience, energy saving and carbon reduction, and the demand for quality protein continues to grow. However, the demand for compound feed was slightly reduced due to the epidemics.

#### 2. Food and oils and fats:

- (1) Our refinery produces three major vegetable oils, soybean oil, canola oil, and palm oil; our top priority is the safety and nutrition of our oils.
- (2) Effective and systematic promotion of oil products, and focus on the development of new trends
  - a. Product development is oriented toward functionality.
  - b. Actively pass relevant certifications to improve product transparency.
  - c. Create product differentiation through distribution channels.
  - d. Use technology to analyze and prevent pollution.
- (3) Research and develop the concept of healthy products and inform consumers to choose safe and healthy oils and fats.
- (4) The domestic oil and fat market has seen negative growth after the pandemic due to changes in consumer habits. The Company has strengthened its product and sales dynamics and built diversified channels, to demonstrated its competitiveness. Due to our efforts, our market share increased by more than 25%.
- (5) The raw material supply is uncertain in multiple aspects. The procurement team constantly researches the international political and economic situation, exchange rate changes, global climate, and the impact of farmers' willingness in terms of planting, as well as the impact on the area. The team provides the correct information to make market forecasts.

#### 3. Organic fertilizers, microbial fertilizers and biopesticides:

##### (1) Market supply

With the support and promotion of the government's agricultural policy, the pesticide and fertilizer related industries will move towards the trend of "organic" and "biological" development, which has a great growth opportunities for the domestic organic industry.

##### (2) Market demand

- a. Although the overall agricultural production value and the farmland area are gradually shrinking, the proportion of cultivation in high-value industries such as organic rice, high-economic fruit trees, leafy vegetables, and flowers and horticulture has been increasing year by year.

- b. The impact of changes in lifestyle and aging population will drive the demand for leisure agriculture and home gardening, which will increase the proportion of gardening fertilizers.
- c. New generation young farmers generally understand the importance of sustainable land use and the enhancement of the competitiveness of agricultural products. Hence, they emphasize agricultural products such as emphasize organic or organic fertilizers, which are well-received by the consumers.

(3) Future growth

- a. Most of the meal materials are imported from overseas. The procurement mechanism has been established to integrate market information, effectively grasp the sources of supply and reasonable prices, and utilize the advantages of resources to flexibly adjust inventory. We have also implemented a diversified hedging mechanism to balance the market supply and demand and maintain market share and stabilize profits.
- b. With the rise of food safety awareness, consumers have a high level of food quality requirements. Therefore, the development of functional products that are free of residual pesticide, safe, healthy, and beneficial is promising.
- c. Effectively grasp the agricultural policy and development trend of “quality agriculture, non-toxic agriculture, and green food”, and proactively and effectively construct the brand and market for “organic fertilizers”, “biofertilizers” and “biopesticidess”.

4. Consumer food:

- (1) Healthy and young snack food development.
- (2) Natural raw materials of snack food, with no excessive processing and additives.
- (3) The consumption trend is moving towards functional foods, and the demand for quality and safety is becoming more stringent.
- (4) The pet food market has a slight decline.
- (5) The market for vegetarian products continues to grow.
- (6) Foreign brands continue to develop.
- (7) Affordable products with better cost-performance ratio will be more popular.
- (8) Effective control of supply sources and prices, and establishment of integrated market information.
- (9) Build up the management of the chain channel and increase the market share.
- (10) The number of online shopping channels continues to grow.
- (11) Speed up the expansion of the market in China, Southeast Asia and overseas, and adopt a global deployment strategy.
- (12) Promotion of pet health food certification.
- (13) Pet health care and prescription diet.
- (14) Development of fresh pet food products.

5. Grain food:

- (1) Market supply
  - a. The overall market is expected to be flat, with the output value greater than the production volume.
  - b. The market for economical low-priced products grew in volume.
  - c. Foreign brands continue to develop.



## (2) Market demand

- a. Affordable products with better cost-performance ratio will be more popular.
- b. The consumption trend is moving towards functional pet foods, and the demand for quality and safety is becoming more stringent.

## (3) Future growth

- a. Effective control of supply sources and prices, and establishment of integrated market information.
- b. Consumers' demand for quality and safety has increased, which gives rise to greater room for development of health, wellness, functional, and natural products.
- c. Establish the direct control over the distribution network to increase market share.

Competitive niche and favorable and unfavorable factors for development prospects and countermeasures

### 1. Favorable factors

- (1) In recent years, consumer awareness has evolved towards safety, hygiene, freshness, environmental friendliness, convenience, energy saving and carbon reduction, and the demand for quality protein continues to grow. Given this, the amount of legally traceable compound feed should continue to grow slightly.
- (2) The international market information is open, transparent and diversified. Raw materials are highly substitutive, with more diversified procurement sources, core resources can be put into good use and reduce operating risks.
- (3). Our professional vegetable oil plant can cater for the market demand, and the diversified main products make profits stable.
- (4) The increasing awareness of health, safety and environmental protection in Taiwan's agricultural market shows the importance of the added value and competitiveness of agricultural products. Based on this notion, farmers will have increasing demand for organic fertilizers, effectively improving soil fertility and crops.
- (5) Various grant policies of the Ministry of Agriculture encourage farmers to switch to using organic fertilizers, microbial fertilizers and other materials, increasing farmers' willingness to adopt transformation.
- (6) The pet food industry is upgraded and amended its measures in accordance with relevant laws and regulations. The aging population and increasing psychological needs are driving the trend of humanization, which leads to the rise of senior pet care and companion pet ownership. Therefore, corporate image and high-quality brands will be the strong pillars for sales.

### 2. Unfavorable factors and countermeasures:

- (1) International raw materials have become difficult to control due to factors such as the pandemic, climate, transportation logistics, Russo-Ukrainian conflict, interest rates, etc.

Response: Flexibly adjust raw material procurement strategies, control inventory at the best timing, and adopt hedging strategies to ensure continuous improvement of competitiveness.

- (2) The government's strict regulations and monitoring measures for drug residue.

Response: Education and promotion of the correct concept of the strict control of the use of contrabands provided to farmers to avoid harming the price of aquatic products.

- (3) The market of soybean oil is rather small. The rise of palm oil has affected the traditional oil usages.

Response: The Company is actively deploying in the palm oil industry, and has already achieved some results. In recent years, the Company has secured the market, and will be the main product in the market in the future.

- (4) The traditional farming method is in difficulty in the case of the aging farmers and the shortage of labor.

Response: Develop slow-release and microbial fertilizers to be paired with AI-enabled drones to save labor, energy and time.

- (5) In recent years, the drastic and unstable climate change has made consumers pay attention to "food safety" and thus increase the uncertainties and costs of business operation.

Response: Utilize AI smart management for the enhancement of performance, continuous improvement of professional skills, strengthening of brand marketing, implementation of execution. We also make efforts to control risks and strive to achieve "life community" among the industry. By doing so, we are able to elevate the overall operational performance of the Company..

## (II) Important uses of the main products and production processes:

### 1. Important purpose

- (1) Edible oils and fats: Salad oil, peanut oil, sunflower oil, olive oil, palm oil, sesame oil for cooking, deep-frying, dipping, mixing salads, and cold foods.
- (2) Grain foods: Ready-to-eat grains for breakfast, e.g. nutritious cereals, nutritious fruit cereals, etc.
- (3) Livestock and aquaculture: Eggs, pork, chicken, nilkfish, and oreochromis aureus.
- (4) Consumer food: Dog food, cat food, Koi fish food, ornamental fish food, bird food, etc.
- (5) Compound feed: Livestock feeds for pigs, chickens, ducks, etc. and aquatic feeds.
- (6) Organic fertilizer: To improve soil quality, improve the quality of agricultural products and increase production volume, such as meal materials and fertilizer cultivation.
- (7) Single flavor products: Raw materials for producing compound feeds and organic fertilizers. E.g., soybean, soybean powder, and cooked products, etc.
- (8) Livestock products: For cooking, e.g. pork, chicken, eggs.

### 2. Production process

#### (1) Compound feeds:

Raw material → mixing → finished product → packaging → warehousing

#### (2) Edible oils and fats:

Raw material → selection → flattening → oil extraction → refining → finished product → packaging → warehousing

#### (3) Sesame oil:

Raw material → selection → roasting → steaming → pressing → settling & filtration → finished product → packaging → warehousing

#### (4) Organic fertilizers:

Raw material → crushing → mixing → pelleting & granulation → drying & cooling → sorting → packaging → warehousing

(III) Supply of main raw materials:

1. Foreign procurement: Procurement of bulk grains such as soybeans, barley, and corn from the U.S., Central and South American countries, and India through joint procurement by the same industry in to reduce costs and secure supply.
2. Domestic procurement: Procurement is made with suppliers or through contracts based on the estimated demand volume of production capacity and sales, and according to the inventory.
3. For each product or raw material, we seek several manufacturers to ensure stable supply and good quality.

(IV). The names of the customers who have accounted for more than 10% of the total purchase (sales) amount in any of the most recent two fiscal years, and the amount and proportion of the purchase (sales) amount, and the reason for the increase or decrease:

1. Information on major suppliers in the most recent two fiscal years (in thousands)

2023					2024			
Item	Title	Amount in Gold	As a percentage of net purchases for the year (%)	Relations with the issuer	Title	Amount in Gold	As a percentage of net purchases for the year (%)	Relations with the issuer
	None				None			

Reasons for changes in purchase: None.

2. Information on major customers of sales in the most recent 2 fiscal years (in thousands)

2023					2024			
Item	Title	Amount in Gold	As a percentage of net sales for the year (%)	Relations with the issuer	Title	Amount in Gold	As a percentage of net sales for the year (%)	Relations with the issuer
1	Central Union Oil Corp.	3,190,853	20.61	Investee	Central Union Oil Corp.	2,516,464	19.20	Investee
	Net sales	14,933,039	100.00	-	Net sales	13,105,543	100.00	-

The reason for the changes in the increase or decrease in sales: Mainly due to the market condition and market price fluctuations, etc.

III. Employee information

Year		2023	2024	As of February 28, 2025
Total number of employees		602	642	646
Average age		43.4	42.7	42.5
Average years of service		7.58	6.99	6.8
Education background distribution	PhD	0.2%	0.2%	0.2%
	Master's Degree	11.5%	12.3%	12.2%
	College	51.9%	51.7%	51.9%
	Senior high school	27.4%	26.3%	26.3%
	Below senior high school	9%	9.5%	9.4%

#### IV. Information on environmental protection expenditure

##### (I) Losses due to environmental pollution in the most recent year and up to the date of publication of the annual report:

Plant	Date of penalty	Reference No. of the penalty	Provisions and content of the law violated	Content of the punishment
Shalu Plant	2024/08/21	Zhong-Shi-Huan-Qi-Ji-Zi No. 11301001631	Violation of Paragraph 1, Article 20 of the Air Pollution Control Act in accordance with Subparagraph 1, Paragraph 1, Article 62 of the "Penalty Standards for Violation of the Air Pollution Control Act by Fixed Sources in Public and Private Places"	A fine of NTD 653,250 imposed.
Kaohsiung Plant	2024/06/25	Kao-Shi-Huan-Qi-Ji-Zi No. 11335165500	Violation of Article 20 of the Air Pollution Control Act in accordance with Article 62 of the "Penalty Standards for Violation of the Air Pollution Control Act by Fixed Sources in Public and Private Places"	A fine of NTD 585,000 imposed.

##### (II) Amount of environmental protection expenditure and countermeasures in the most recent year and up to the date of publication of the annual report:

###### 1. Environmental protection expenditure:

Item	Amount (NTD thousand)
Adding and improving pollution prevention equipment and environmental protection expenses (Air pollution; dust collection; exhaust; wastewater)	44,640

###### 2. Countermeasures:

Wastewater: Wastewater of the feed plant is treated before discharge. Wastewater from other plants and from Charming Food are treated by the sewage treatment system at the industrial park. The quality of the self-treated effluents from the feed plant's is regularly checked by external third parties to ensure that they meet the discharge standards.

Air pollution control: Natural gas boilers are used in all production processes. There is no emission of SO<sub>x</sub> (sulfur oxide) air pollutants. The suspended particulate matter (PM) produced by the process is treated by bag filters and discharged through the dust collector. Emissions are tested regularly. In 2024, PM emissions were 19.34 metric tons, a decrease of 2.61% compared to 19.86 metric tons in 2023. NO<sub>x</sub> emissions in 2024 were 3.051 metric tons, an increase of 3.39% compared to 2.712 metric tons in 2023. The increase is due to the addition of natural gas boilers in the process, and no sulfur oxides (SO<sub>x</sub>) were emitted.

Waste disposal: We commission qualified professional environmental protection vendors to dispose of waste, and have established the "Business Waste Disposal Plan" to implement waste disposal, and track the final destination of waste and report as required by law.

## V. Labor relations:

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

### 1. Employee welfare measures:

We are committed to improving employees' identification and practice of core values. In addition to providing a safe working environment and equal pay for equal work, we have established the "Employee Welfare Committee" to plan good welfare measures, employee health and insurance, employee activities, gifts and subsidies, facilities and equipment, retirement planning, etc. We also encourage employees to participate in club activities and employee trips.

In 2024, the income of the Welfare Committee totaled NTD 7,640,516 and the expenditure was NTD 7,069,107, accounting for 92.52% of the income. Expenditures included subsidies for cultural and recreational activities, domestic and overseas employee trips, scholarships for employees' children, festival gifts, and group insurance. Each employee is entitled to NTD 10,320 from the committee fund. In addition, we also provide an employee shareholding trust program, with 20% of the employee's own contribution as encouragement. A total of 30.7% of employees participate in the program.

### 2. Employee training and education:

Outstanding talent is the competitive advantage of enterprises. We continue to improve the work efficiency of our employees while actively recruiting outstanding talent to join us. We esteem highly the value of middle-aged and senior employees. Through working together, intergenerational collaboration and exchanges, we pass on our professional skills and experience to enhance and strengthen our competitiveness in the workplace. In 2024, we applied for the "Training Subsidy Program for Middle-aged and Senior Citizens" from the Ministry of Labor to work with the government to support the stable employment plan. Middle-age and senior employees play a key role in terms of their work experience, stability and knowledge, which help to improve work efficiency and strengthen retention value. In terms of the training for new recruits, we arrange counseling and experience inheritance provided by the senior executives so that newcomers can integrate into the organizational culture more quickly. For on-the-job employee training, we set up education and training programs every year according to the needs of various duties and the gap between functions. In addition to physical courses, we also provide diverse learning channels such as online courses, online learning platforms, and internal lecturer courses.

In 2024, internal education and training for 6,833 people and external education and training for 3,380 people were organized, with a total training expense of NTD 1,918,845.

### 3. Retirement system and implementation:

In terms of the retirement system, for employees with seniority under the old system, a Labor Pension Reserve Supervisory Committee has been established. The Committee makes monthly contributions to a special account at the Bank of Taiwan. According to the new labor pension regulations, 6% of the employee's salary is contributed every month to protect the rights and interests of employees.

### 4. Labor-Management Agreement:

We are committed to promoting labor-management cooperation. Through various labor-management meetings, grievance platforms, and other channels, we cultivate consensus between labor and management, accept employee organizations and activities, eliminate the employee's psychological fear of the workplace. We also fully implement labor laws and regulations. The goal is to enable both labor and management to establish a harmonious employment relationship with a correct attitude.

In order to provide employees with a working environment free from sexual harassment, and to adopt appropriate prevention, correction, discipline and handling measures, we have established a sexual harassment prevention and control measure, a grievance and discipline system. We also have a "Sexual Harassment Prevention and Investigation Committee" in place to be responsible for accepting and investigating sexual harassment cases, and we handle the cases in a proper manner. In 2024, there were no sexual harassment cases reported.

## 5. Employee conduct or ethics principles:

The Company has established work rules and various management regulations and measures for employees as the guidelines and compliance for daily work. Meanwhile, to implement the regulations and measures, the Company has also established a comprehensive reward and discipline system and a personnel evaluation committee. All reward and punishment cases are handled in a fair, just and open manner and are included as the basis for annual evaluation.

## 6. Occupational health promotion:

### (1) Health examination better than the statutory requirement

We protect the health of our employees as well as employees who are engaged in operations with special health hazards for the early detection of occupational diseases. We also outperform the statutory requirement of one annual employee health examination.

Employees of food and pet food factories are subject to regular inspections during meal preparation. Employees are also required to undergo special inspections such as noise, hexane, and dust. The Company has contracted professional doctors to come in the factory once month to provide health consultation. In 2024, a health checkup was conducted for the employees at Shalu Plant and Taichung Port Plant in December; a health checkup was conducted for the employees at the Taipei Operations Center in November; a health checkup was conducted for the employees at Lukang Plant and Kaohsiung Plant in April.

### (2) Occupational disease prevention and health management

The Company has contracted occupational medical doctors to provide labor health services, and manage occupational health checkups, high cardiovascular risk, maternal health protection, high musculoskeletal risk, and prevention of workplace assaults and hazards. In 2024, a total of 6 people were among the cardiovascular high risk group and 3 people among the maternal health protection group. They were provided with information and suggestions on health in daily life and at work. 15 people in the musculoskeletal high risk unit were interviewed and given appropriate advice during workplace interviews.

### (3) Flu vaccination

In order to reduce severe influenza-related ill health and to prevent the spread of infection that affects the health of colleagues, a total of 57 colleagues received influenza vaccination in 2024 in cooperation with Shalu Health Center.

(II) The estimated amount of possible losses due to labor disputes in the most recent year and up to the date of publication of the annual report, and measures taken: None.

## VI. Cybersecurity management:

### (I). Information security structure

#### 1. Externally:

(1) The Company has designed and configured its communication and network systems, and introduced the next-generation Palo Alto ML firewall, using advanced threat detection technology, such as machine learning and behavioral analysis, to identify and prevent various known and unknown network threats, and provide flexible safety strategy management functions. Administrators can easily configure and manage security policies based on network requirements, ensuring network security and compliance to prevent network attacks and penetration.

(2) The Company has established the Anti-Spam email protection system to prevent the information security from seeping into the enterprise through email. The Company has also established MDLP (Mail Pre-Auditing) - for mail data leakage prevention, and "Mail Post Auditing" - for post-disaster evidence support. The Company has a complete mail auditing mechanism, safeguarding the enterprise's intellectual assets.

(3) Lease of ISP intrusion protection service

## 2. Internally:

- (1) The Company has installed an anti-virus system and releases virus codes to the user terminals periodically.
- (2) The Company has established an access control system to ensure that only authorized users can access the Company's information systems and information assets. The Company also implements control measures such as identity verification, authorization management, and daily journal recording.
- (3) Use of online and social software according to work requirements.
- (4) All important information is backed up (1 day + 7 days + 30 days) in accordance with the backup plan.
- (5) An off-site backup server room has been built to set up and execute daily time synchronization for all systems (1 day + 7 days + 30 days + year).
- (6) MDR security protection is imported in all critical information systems. MDR monitors the network, analyzes events, and responds to various security conditions encountered by the host. Information security inspectionThrough the network and equipment in the IT environment, AI and big data technology with the information security database are used for real-time analysis and handling, achieving the effect of information security protection in the enterprise.
- (7) NetApp has been introduced. NetApp is a powerful anti-virus snapshot system that enables storages to be locked and activated using the SnapLock protection mechanism, and enables business continuity technology for disaster backup. This system can provide stronger data protection for applications and virtual machines.

## (II) Information security protection management

- (1) In view of the current trend of information security threats, such as ransomware, fake websites, and social engineering attacks, the Company has signed information security protection services with Chunghwa Telecom. We also rent MDR services for important servers. The Company commissions information security firms to conduct information security protection maintenance in the factory every month. In addition to regularly updating firmware, the Company also pays attention to information security issues and plans for countermeasures. We conduct attack and defense drills for different information security environments, strengthen the ability of the management personnel for response, in order to detect and block the attack as quickly as possible.
- (2) We have introduced ISO27001 to conduct risk assessment and established an information security management system (ISMS). We formulate policies and control measures, conduct internal audits, and make continuous improvement. By doing this, we effectively enhance our information security management capabilities, reduce information security risks, comply with regulatory requirements, and strengthen customer trust and corporate image. We obtained the certification in February 2025

(III) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, possible impacts (including operations, goodwill, etc.), and countermeasures being or to be taken: None.

## VII. Important contracts

Nature of contract	Party concerned	Start/end date of contract	Main Content	Restrictive clauses
Mid- and long-term borrowings	Bank of Taiwan	2023/10/16-2028/10/16	NTD 500 million	None
Mid- and long-term borrowings	Bank of Taiwan	2020/08/04-2025/08/04	NTD 300 million	None
Mid- and long-term borrowings	Taiwan Cooperative Bank	2024/12/26-2029/12/26	NTD 300 million	None
Mid- and long-term borrowings	Taiwan Cooperative Bank	2021/02/19-2026/02/19	NTD 300 million	None
Mid- and long-term borrowings	Taiwan Business Bank	2020/01/30-2025/01/15	NTD 50 million	None
Mid- and long-term borrowings	Taiwan Business Bank	2020/01/30-2025/01/30	NTD 50 million	None
Mid-term borrowings	Export–Import Bank of the Republic of China	2024/07/30-2025/09/30	NTD 150 million	None
Mid- and long-term borrowings	First Commercial Bank	2023/07/13-2028/07/13	NTD 300 million	None
Mid- and long-term borrowings	Agricultural Bank of Taiwan Corporation	2022/06/29-2027/06/29	NTD 300 million	None



## Five. Review and Analysis of Financial Position and Financial Performance, and Assessment of Risks

### I. Financial position

#### (I) Comparative analysis of financial position - Consolidated financial statements

Unit: NTD thousand

Item	2023	2024	Difference	
			Amount in Gold	%
Current assets	5,764,433	5,422,434	(341,999)	(5.93)
Real property, plant and equipment	3,736,619	3,890,407	153,788	4.12
Other assets	606,537	616,608	10,071	1.66
Total assets	10,185,478	10,006,340	(179,138)	(1.76)
Current liabilities	3,736,068	3,198,773	(537,295)	(14.38)
Non-current liabilities	1,848,236	2,190,876	342,640	18.54
Total liabilities	5,584,304	5,389,649	(194,655)	(3.49)
Share capital	3,316,634	3,416,024	99,390	3.00
Capital reserve	15,030	15,030	0	0.00
Retained earnings	1,216,989	1,134,752	(82,237)	(6.76)
Equity attributable to owners of the parent company	4,534,794	4,555,687	20,893	0.46
Total equity	4,601,174	4,616,691	15,517	0.34
Description of major changes (changes exceeding 20% and amounting to NTD 10 million or more):				
None.				

#### (II) Future countermeasures for those with significant impact: None.

## II. Financial performance

### (I) Comparative analysis of performance - Consolidated financial statements

Unit: NTD thousand

Item	2023	2024	Increase (Decrease) amount	Change ratio (%)
Operating revenue, net	16,313,623	14,329,750	(1,983,873)	(12.16)
Operating cost	14,824,093	12,996,332	(1,827,761)	(12.33)
Operating gross profit	1,493,483	1,349,430	(144,053)	(9.65)
Operating expenses	1,136,425	1,238,058	101,633	8.94
Operating profit	357,158	112,076	(245,082)	(68.62)
Non-operating income and expenses	33,010	26,772	(6,238)	(18.90)
Net income before tax	390,168	138,848	(251,320)	(64.41)
Income tax expense	59,378	31,551	(27,827)	(46.86)
Net income of the period	330,790	107,297	(223,493)	(67.56)
Other comprehensive income	(2,597)	5,951	8,548	329.15
Total comprehensive income	328,193	113,248	(214,945)	(65.49)

Description of major changes (changes exceeding 20% and amounting to NTD 10 million or more):

- Operating profits decreased by NTD 2.45 billion or 68.62% year-over-year.  
Mainly due to:  
Operating revenue decreased by NTD 1.98 billion, operating cost decreased by NTD 1.83 billion, and operating expenses increased by NTD 100 million, resulting in a decrease in operating profit of NTD 245 million year-over-year.
- Net income before tax decreased by NTD 251 million, or 64.41% year-over-year.  
Mainly due to:  
Operating profit decreased by NTD 2.45 billion year-over-year.
- Income tax expense decreased by NTD 2,783,000 per year, or 46.86%, year-on-year.  
Mainly due to:  
Net income before tax decreased by NTD 251 million year-over-year.
- Net income decreased by NTD 223 million or 67.56% year-over-year.  
Mainly due to:  
Net income before tax decreased by NTD 251 million year-over-year.
- Total comprehensive income for the period decreased by NTD 215 million, or 65.49% year-over-year.  
Mainly due to:  
Net income decreased by NTD 223 million year-over-year.

### (II) Projected sales volume and the basis:

The projected sales volume of 706,486 tons in 2025 is based on the projected product order status and future operational development, taking into account the Company's production capacity.

### (III) Possible impact of the Company's future financial business and the countermeasures:

- Impact of future financial business: No significant impact on finance.
- Countermeasures: None.

## III. Cash Flow Analysis - Parent Company Only Statement

### (I) Analysis of changes in cash flow for the year

Unit: NTD thousand

Beginning balance of cash	Net cash flow from operating activities for the entire year	Cash flow from investing activities for the entire year	Cash flow from financing activities for the entire year	Impact of exchange rate changes	Cash surplus	Remedies for insufficient cash	
						Investment plan	Wealth management plan
630,283	996,310	(589,676)	(411,640)	0	625,277	-	-

Analysis of changes in cash flow:

- Operating activities: Net cash inflow was mainly due to operating profit.
- Investing activities: Net cash outflow was mainly due to the purchase of equipment and the acquisition of investments under the equity method.
- Financing activities: Net cash inflow was mainly due to the increase in bank long-term and short-term loans.

(II) Improvement plan for insufficient liquidity in the most recent year: None.

(III) Cash flow analysis for the coming year:

Unit: NTD thousand

Beginning balance of cash (1)	Estimated net cash flow from operating activities for the entire year (2)	Estimated cash outflow for the year (3)	Estimated cash balance (1)+(2)-(3)	Remedies for estimated insufficient cash	
				Investment plan	Wealth management plan
625,277	532,300	(543,200)	614,377	-	-
Analysis of changes in cash flow:					
1. Operating activities: The projected operating condition improved, generating net cash inflow.					
2. Investing activities: Projected purchase of machinery and equipment and plant maintenance.					
3. Financing activities: Projected distribution of cash dividends to shareholders and repayment of long-term and short-term loans.					

IV. Effect upon financial operations of any major capital expenditures during the most recent year: The significant capital expenditure in 2024 was for investment in plant improvement, automation machinery and equipment assets. This will expand production capacity, improve production efficiency, and reduce production cost, in order to maximize sales profits.

V. Main reasons for profits or losses of latest re-investment policy in the most recent year, improvement plan, and investment plan for the coming year

Investment plan:

(I) Main reasons for re-investment policy and profits or losses, and improvement plan for the most recent year:

1. Re-investment policy:

Continue the investment from previous years, such as: Compound and aquatic feeds, biological assets - laying hens, white-meat chicken, pork, chicken, egg products, among other core products; develop an upstream and downstream one-stop production and sales model to achieve the maximum investment benefits.

2. Reasons for profit or loss:

For profit and loss of each investment business, please refer to Tables 6 and 7 of the consolidated financial statements.

3. Improvement plan:

Conduct a proper benefit assessment before investment, effective operation and management during investment, and review the benefit achievement rate after investment, to examine the reason for discrepancies.

(II) Investment plan for the coming year: Based on the capital expenditure of NTD 1 billion in three years, the Company will continue to renew the machinery and equipment in each factory, increase production capacity, and evaluate feasible reinvestment plans for strategic cooperation.

VI. Risk analysis and assessment:

(I) Impacts of changes in interest rates, exchange rates and inflation on the Company's profit and loss, response measures to be taken in the future:

1. Interest rate changes:

(1) The Company's long-term and short-term borrowing rates maintained at a reasonable range. In 2024, the Group's total finance costs increased by 7% from 2023.

(2) Continue to monitor U.S. economic growth and changes in the stock and bond markets of all countries.

## 2. Exchange rate changes:

- (1) The Company's import of raw materials is mainly paid in U.S. dollars, and foreign exchange forwards are purchased to minimize the risk of exchange rate fluctuations.
- (2) Continue to monitor changes in the international geopolitical situation, the follow-up development of the Russo-Ukrainian War, and the countermeasures of the new U.S. President in response to the trade deficits between the U.S. and other countries, which affect the changes in the supply and demand of the U.S. dollars and commodities.

## 3. Inflation:

The political risks affect the GDP and monetary policies of various countries, causing a huge impact on global inflation and the prices of main raw materials. The Company actively purchases sufficient quantities of raw materials to reduce the risk of material shortage. The Company also hedges against the fluctuations in the spot market of commodity futures.

- (II) High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The Company has not engaged in high-risk and high-leverage investments or loaned funds to others.

2. The endorsement and guarantee and derivatives are handled in accordance with the Company's operating procedures.

- (III) Future R&D plans and expected R&D expenses:

The estimated R&D expense for 2025 is NTD 61,658 thousand, to continue innovative development.

- (IV) Impact of important domestic and foreign policies and legal changes on the Company's financial operations, and measures to be taken in response: The Company follows local and foreign regulations, and pays close attention to changes in local and foreign policies and regulations. At Fwusow, we abide by the Act Governing Food Safety and Sanitation and continue to implement stringent control to reduce food safety risks. By doing this, we ensure the safety of consumers' food, increase product sales performance, and create maximum sales profits.

- (V) Effect on the company's financial operations of developments in science and technology (including cybersecurity risks) as well as industrial change, and measures to be taken in response:

With the introduction of new SAP system, the Company hopes to improve management efficiency and internal control, and reduce operational risks.

Production equipment automation and AI will reduce labor safety risks, lower production costs, and improve product gross profit.

- (VI) Impact of changes in corporate image on corporate crisis management and measures to be taken in response: None.

- (VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures to be taken in response: None.

- (VIII) The expected benefits and potential risks of any plant expansion, and measures to be taken in response: None.

- (IX) Risks associated with any consolidation of sales or purchasing operations, and measures to be taken in response: None.

- (X) Impacts and risks associated with major transfer or exchange of shares by directors, supervisors, or major shareholders with more than 10% ownership interest, and countermeasures: None.

- (XI) Effect upon and risk to the company associated with any change in governance personnel or top management, and measures to be taken in response: None.

- (XII) Litigious and non-litigious matters: List major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by

the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

(XIII) Other important risks and countermeasures: None.

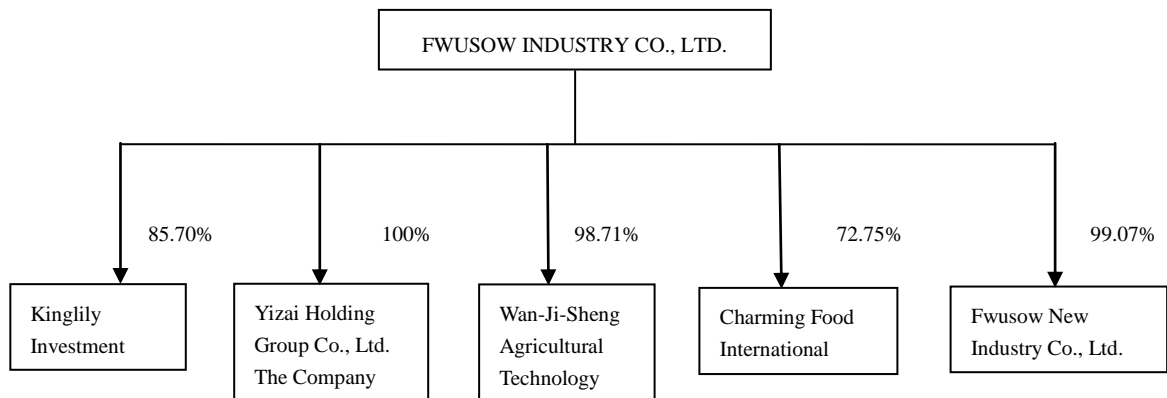
VII. Other important matters: None.

## Six. Special Items to Be Included

### I. Information on Affiliates

#### (I) Overview of affiliates

##### 1. Organizational chart of affiliates:



##### 2. Basic information of affiliates

Unit: NTD thousand

Company name	Date of establishment	Address	Paid-in capital	Main business activities
Fwusow New Industry Co., Ltd.	1989/04/21	No. 36-1, Datong Street, Shalu District	55,251	Food sales, rental and leasing
Kinglily Investment Co., Ltd.	2007/01/15	Unit 25, 2F, Nia Mail, Saleufi Street, Apia, Samoa	USD 12,585 thousand	Investment, import and export, trading of domestic meat, processing of products, etc.
Yizai Holding Group Co., Ltd.	2015/05/21	Unit 25, 2F, Nia Mail, Saleufi Street, Apia, Samoa	USD 183 thousand	Investment
Charming Food International Marketing Co., Ltd.	2012/12/21	No. 183, Zili 1 Street, Wuqi District, Taichung City	400,000	Poultry electric stunning, poultry processing
Wan-Ji-Sheng Agricultural Technology Co., Ltd.	2020/12/17	No. 45, Shatian Road, Shalu District, Taichung City	200,000	Livestock farming, and livestock and poultry breeding

3. For companies presumed to have a relationship of control and subordination: None.

4. Affiliation of affiliates: None.

5. Information on directors, supervisors and general managers of affiliates:

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio %
Fwusow New Industry Co., Ltd.	Director Supervisor General Manager	Representatives: Hung Yao-Kun, Hung Yao-Chih, Hung Yao-Chun, Hung Chun-Lin, Hung Shuo-Pin Hung Yao-Chi Hung Yao-Chih	5,473,703	99.07
Kinglily Investment Co., Ltd.	Director General Manager	Representatives: Hung Yao-Kun, Hung Yao-Hsin, Hung Yao-Chun, Tsai Chia-Kuang, Yang Chun-Hsien Hung Yao-Kun	10,785,000	85.70
Yizai Holding Group (Holdings) Co., Ltd.	Director General Manager	Representatives: Hung Yao-Kun, Hung Yao-Hsin, Hung Yao-Chun Hung Yao-Kun	183,000	100.00
Charming Food International Marketing Co., Ltd.	Director Supervisor General Manager	Representatives: Hung Yao-Hsin, Chao Wen-Chiang Representative: Hung Wan-Ching Chao Wen-Chiang	29,100,000	72.75
Wan-Ji-Sheng Agricultural Technology Co., Ltd.	Director General Manager	Representative: Hung Chun-Lin Yang Chun-Hsien	19,741,000	98.71

## 6. Overview of individual affiliates

2024 Unit: NTD (USD) thousand

Company name	Capital	Total asset value	Total liabilities	Net worth	Operating revenue	Operating profit and loss	Income (after tax)	Earnings per share after tax (NTD)	By currency
Fwusow New Industry Co., Ltd.	55,251	165,395	8,138	157,256	76,699	176	2,251	0.41	NTD
Kinglily Investment Co., Ltd.	12,585	4,796	0	4,796	0	0	60	0.05	USD
Yizai Holding Group Co., Ltd.	183	226	46	180	0	0	4	0.22	USD
Charming Food International Marketing Co., Ltd.	400,000	1,741,767	1,616,490	125,277	1,492,505	(252,055)	(273,471)	(6.84)	NTD
Wan-Ji-Sheng Agricultural Technology Co., Ltd.	200,000	414,295	181,663	232,631	433,608	12,562	11,223	0.56	NTD

### (II) Consolidated financial reports of affiliates:

A statement of consolidated financial reports of affiliates has been issued, please see the Statement of the Consolidated Financial Report.

### (III) Affiliation Report: Not applicable.

II. Private placement of securities in the most recent fiscal year up till the publication date of this annual report: None.

III. Other supplementary information: None.

**Seven. Any of the situations listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act which might materially affect shareholders' equity or the price of the company's securities that have occurred during the most recent fiscal year and up to the date of publication of the annual report: None.**

FWUSOW INDUSTRY CO., LTD.  
Chairman: Hung Yao-Kun