

Stock Code:1203



VE WONG<sup>®</sup>

味王股份有限公司  
VE WONG CORPORATION

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**2022**  
**ANNUAL REPORT**

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SEC : <https://mops.twse.com.tw>

Official Website : <https://www.vewong.com>

Printed on April 30, 2023

### Notice to readers

*This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.*

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## **IV. Auditors**

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# I. Letter to Shareholders

## 1. Preface

After several years of turbulence caused by the COVID-19 pandemic, the company is finally seeing the dawn of a slowdown in the pandemic. The related preventive measures are returning to normal, and restrictions on various activities for the public are gradually being lifted. The long-dormant tourism and catering industries are poised for a comeback, and there is great anticipation for the future recovery and prosperity.

However, the impact of inflation, which has led to a significant increase in raw material costs, has yet to dissipate. The strength of the economic recovery also remains uncertain. Therefore, the company cannot be overly optimistic about the operational performance in the coming year. The company must proceed cautiously, step by step, based on our business objectives. It is crucial to develop concrete marketing strategies and sales plans, constantly review and make adjustments, in order to achieve the desired results.

## 2. Business Performance Report for 2022

I would like to report the operating status of 2022 to all shareholders:

### 1. Performance

The consolidated total revenue for the 2022 amounted to NT\$1,365,555,700. The consolidated net profit after tax was NT\$880,937,400, with a net profit margin of 14%.

### 2. Main product sales

Unit: NT\$ thousand

Products Item	2022	2021	Increase (decrease)
Condiment	4,582,913	3,995,060	587,853
Instant Foods	1,491,649	1,526,007	(34,358)
others	310,995	303,771	7,224
Total	6,385,557	5,824,838	560,719

In the 2022, as the COVID-19 pandemic subsided and border controls gradually eased in various countries, global tourism activities also began to rebound. The post-pandemic retaliation growth was observed in the food and beverage market, which had a significant impact on seasoning products that primarily target the foodservice sector. Among them, the company's main revenue driver, the seasoning products (including monosodium glutamate, flavorings, and soy sauce), gradually recovered to pre-pandemic levels and experienced considerable growth compared to the same period last year.

### 3. Budget Execution

Pursuant to the "Regulations Governing of Publication of Financial Forecasts of Public Companies", the Company was not required to prepare a financial forecast for the year 2022.



#### 4. Operation report

The company's annual 2021 consolidated net operating income totals NT\$ (the same hereinafter) NT\$ 6,385,557,000. Among them, the cost of goods sold is NT\$4,560,378,000 operating expenses were NT\$992,023,000, the net income from non-operating income and expenses was NT\$280,768,900., the pre-tax net profit was NT\$1,121,025,000. The income tax expense was NT\$231,651,000. The net profit for the period was NT\$889,374,000..

#### 5. Financial Balance and Profitability Analysis

Unit: NT\$ thousand

Analytical Items		Years	
		2022	2021
Financial Balance	Net Operating Revenue	6,385,557	5,824,838
	Gross Profit	1,825,179	1,896,115
	Profit after Tax	889,374	697,030
Liquidity	Current ratio	243.06	239.40
	Quick ratio	136.55	161.62
Profitability	Return on assets (%)	9.22	7.49
	Return on equity (%)	13.86	11.09
	Pre-tax income to paid-in capital ratio (%)	46.70	38.21
	Net income margin (%)	13.92	11.96
	EPS (NT\$)	2.63	1.88

Note : Consolidated information on the company and its subsidiaries.

#### 6. Research and design of present:

1. After a long period of fermented and production of premium raw shoyu, every drop is precious. Ingredients are used as local raw materials to present clean label and the uniqueness, innovative of soy sauce for consumers, making safety products for consumer and marketing of soy sauce.
2. Using TFL (Total Food Liquefaction) technology is the purpose without water, 100% whole food and decreased food additive for products.
3. Due to sub-replacement fertility and eating alone that we offer light meal, it's more convenience and diversity that decrease body burden. We have stepped whole foods and into the senior food industry, finding that whole foods and functional foods and designing the liquid food using vegetables and whole food nutrition for senior citizens.
4. Fast food products is certified by "Eatender" enhancing the company's brand and exposure.
5. Adding the TFL whole food and vegetables into instant noodles to increase nutrition, elastic, and flavor. Instant noodles combined with retort pouch that the ingredients from local raw material, Cuisine of Southeast Asia, and exotic cuisine. The Little Prince series snack noodles use the brand advantage to create product value. Meeting the diverse choices and preferences of consumers.



6. Research and innovate various products, extend the product image of existing brands, and increase products' added value.

### **3.Summary of Business Operation Plans for 2023**

In the 2023, the COVID-19 pandemic is approaching its end. However, the ongoing conflict between Ukraine and Russia, as well as the continuous tensions between the United States and China, have kept raw material prices high. Inflation remains high, leading to reduced consumer spending. To maintain the overall competitiveness of Taiwan's food industry, the company will focus on continuous equipment updates in Taiwan to enhance competitiveness and meet consumer demands. The main initiatives are as follows:

1. Continuous equipment updates and automation: The new soy sauce blending facility is currently in the installation phase. The new equipment for the instant noodle factory has started trial runs. The instant food division has purchased a new filling machine and has requested adjustments from the original Japanese manufacturer. Additionally, the company plan to acquire large-scale packaging filling equipment this year to meet future market demands.
2. Collaboration with other brands to leverage synergies in new product development. The company will also continue to focus on personalized products to cater to the future personalized market.
3. Development of idle assets, continue to handle the application process, and develop as soon as possible.
4. Foreign investment, increase production capacity to meet customer needs and create higher performance.

Under the influence of war and inflation, as stated in the business results of 2022, soy sauce sales decreased while sales of personalized products increased. For the 2023 fiscal year, the company anticipate that condiment sales will be affected by the easing of the pandemic and high price levels, and hope to maintain stability. After the pandemic subsides, the increase in dining-out and tourism will compensate for the affected sales of condiments.

This year, the biggest impact will come from inflation, leading to a significant rise in prices and keeping production costs high. Both production and sales will be affected. Therefore, our overall production and marketing policy will primarily focus on providing market-demanded products and adjusting production capacity to ensure a stable supply of instant food to meet consumer and market needs.

The above operational plan will require all colleagues to set goals and make concerted efforts to fulfill the trust of all shareholders.

### **4.Look forward to the company development strategy**

In recent years, the company has been promoting the updating and expansion of production equipment, and despite the challenges posed by the pandemic, the progress has been seen. The new soy sauce blending facility has been completed, and once the new equipment is successfully installed and tested, the company can expect improved soy sauce production efficiency and product quality that better meet the requirements of food hygiene and safety



regulations. Following this, the company plan to replace and upgrade the packaging equipment for soy sauce filling, allowing for more flexible packaging options to meet the modern consumer's demands. The brand-new instant noodle production line is currently undergoing trial runs. This production line features higher levels of automation, and once it begins production this year, it will save labor costs, increase production efficiency and capacity, and address the issue of long-term product shortages. Furthermore, the new equipment is more energy-efficient and eco-friendly, aligning with government policies and our responsibility as global citizens to reduce carbon emissions. In addition, the company possesses equipment and technology for seasoning production lines and ambient temperature seasoning bags. In the future, the company will strengthen research and development in the field of healthy functional foods to meet the desires of all our customers for delicious and healthy options.

To align with international standards and promote sustainable development, the government is actively encouraging listed companies to deepen their corporate governance, energy conservation, carbon reduction, and achieve net-zero emissions. To fulfill our corporate social responsibility, the company has invested in establishing Green Company, which utilizes Total Food Liquification (TFL) technology to refine the skins and fibers of various grains, beans, and nuts in the processing of plant-based milk. This retains the complete nutritional value and achieves a "zero-emission" level of environmental protection. The company also strive to incorporate locally sourced organic ingredients to maintain soil, ecological, and human health.

To ensure the company's sustainable operation and expand the scale, the company aim to extend the reach beyond existing product lines and engage in cooperation and strategic alliances with entities that have different products or business formats. Through changes in our business model. The company seek opportunities for diversified development.

## **5.The Impact of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions**

Due to uncontrollable factors such as the COVID-19 pandemic and the Ukraine-Russia conflict, severe inflation and skyrocketing raw material prices have led to a contraction in consumer spending and persistently high production costs. This has significantly eroded company profits, resulting in unsatisfactory earnings performance in the fourth quarter of last year (2022) and the first quarter of this year(2023). Although international raw material prices have shown signs of decline as the pandemic subsides, it is difficult to return to pre-pandemic price levels. To reflect actual costs, the company has gradually adjusted the prices of some products in an effort to maintain product margins. The company hope to see an improvement in earnings performance in the second half of this year to offset the gap from the previously projected profit targets.

2022 was a challenging and arduous year for the food industry. In addition to the high costs caused by inflation, the scarcity of natural resources, natural disasters, and regulations significantly limiting the use of various pesticides, disinfectants, and environmental chemicals have become major issues in sourcing raw materials. These restrictive regulations have also impacted domestic and international sales.





The trend of regulatory changes suggests that stricter requirements for food safety and hygiene will be imposed, inevitably increasing business operating costs. Therefore, finding a balance between reflecting prices and achieving sales volume will be a challenge and task that the company must face.

In order to seek raw materials that comply with laws and regulations, reasonable prices and stable quality, in addition to negotiating new suppliers, the company actively counsels and assists existing suppliers, hoping to supply more pure raw materials for production use. The company is also gradually planning to upgrade the food safety management system and improve related quality equipment, upgrade various software and hardware, in addition to being closer to regulations and market demand, and fulfill the responsibility of protecting consumers.

Chairman **Chen, Ching-Fu**





## II. Company Profile

### 1. Date of Incorporation

The company was established on July 4, 1959.

### 2. Company History

- 1959
- 1.The company was originally named “China Fermentation Industry Co., Ltd.” and was established in Taipei in April.
  - 2.In September of the same year, one monosodium glutamate plant was built in Shulin Township and was named the Taipei Plant. The company entered into technical cooperation with Japan's Kyowa Hakko Kogyo Co., Ltd. and introduced its patented fermentation technology and a full set of automation equipment. The construction of the Taipei Plant was completed in August of the following year and started the production of MSG.
- 1964
- The company launched a capital increase for the first time to expand equipment and increase production and applied for the listing of its shares to become a public company.
- 1966
- The company actively developed overseas investment business, and cooperated with overseas Chinese businessmen in Southeast Asia such as Vietnam, Thailand, Philippines, and Indonesia to set up plants to produce MSG.
- 1970
- 1.The company was renamed “Ve Wong Fermentation Industry Corporation” to make the company name consistent with the product trademark.
  - 2.The company cooperated with Japan’s Myojo Food Industrial Co., Ltd. to manufacture instant noodles and diversify its business.
- 1972
- In view of the strategy of diversification, the equipment of the Taipei Plant in Shulin Township was insufficient. In the same year, a new plant, named Fengtian Plant, was built in Fengtian Industrial Park, Yunlin County.
- 1975
- The first phase of construction of the Fengtian Plant was completed as scheduled. In October of the same year, the production of instant noodles, seaweed soup, and canned beverages was started; in the second phase construction plan, a high-end brewed soy sauce production plant was to be built.
- 1978
- 1.In order to seek unification, promote the rationalization of operations, and comply with the government's policy of encouraging enterprises to merge for industry development, the company merged “Ve Wong Soy Sauce & Canning Industrial Co., Ltd..” It renamed its plant to “Ve Wong Sanchong Plant.”
  - 2.In July of the same year, the Fengtian Plant began to produce Kim Ve Wong Soy Sauce for consumers.
- 1979
- 1.The company was renamed “Ve Wong Corporation.”
  - 2.The company reinvested in “The World Champion Co., Ltd.” in December of the same year.
- 1983
- The company introduced from Japan Retort Pouch (sterilized conditioning package, also known as Liduo Pouch) for the Fengtian Plant and launched the Kim Ve Wong Brand Instant Noodle Soup Beef Flavor with this packaging, which was well received by consumers after the launch.



- 1984 1. In view of the demand of the instant noodle market, an instant noodle production plant was built in Xsiangshan, Hsinchu.  
2. In August of the same year, the Taipei Plant launched Kim ve wong IG Glutamate, and the Fengtian Plant launched conditioned foods (pre-cooked fast foods of Chinese style).
- 1986 In June, the Sanxia Packaging Material Printing Factory was moved to the Sanchong plant. In September of the same year, it was approved and registered as the Ve Wong Co., Ltd. Sanchong Plant by the Ministry of Economic Affairs. It was designated to produce packaging materials.
- 1990 The company strengthened its company-wide target management and tracking; in the same year, the Taipei Plant was awarded the Food GMP Excellence Mark, and the Fengtian Plant was awarded the excellent plant for industrial pollution prevention.
- 1991 1. The company's current year earnings were transferred to a capital increase for share allotment, and the capital increased to NT\$1,687,977,000.  
2. In the same year, the company's soy sauce and instant noodles of its Fengtian Plant were both awarded the GMP Excellence Mark.  
3. In March, the company established a joint venture, "Saigon Ve Wong Co., Ltd." with the Vietnamese shareholder "Ho-Chi-Minh-City food company."
- 1992 The company's instant noodle series "Hot of Hots," won the 1992 Marketing Communication Excellence Award - first prize in the Republic of China and the first prize of International MCEI.
- 1993 The company's Fengtian Plant's beverages, conditioned foods, and the Hsinchu Plant's instant noodles were awarded the Food GMP Excellence Mark.
- 1994 The company's Taipei Plant was awarded ISO-9002 international quality assurance certification.
- 1996 1. The company signed a contract with "Indonesia's Sungai Budi Group" to establish a joint venture company "P.T. Ve Wong Budi Indonesia" to produce MSG.  
2. In May, the Sanchong Plant, which produced packaging materials, ceased production and switched to a joint venture with "Fujimori Kogyo Co., Ltd. of Japan" to establish "Summit Packing Industrial Co., Ltd." to produce Packaging materials.
- 1997 1. In October, the company was divided into five business divisions: food, trade, automobile, construction and general development. The company also signed a technical assistance and business cooperation agreement with "Japan's Toyo Suisan Kaisha, Ltd."  
2. The application for the development of the World Champion Industrial and Commercial Integrated District obtained the development permit from the Ministry of the Interior.
- 1998 1. In January, the company's Fengtian Plant won the ISO-9002 international quality assurance certification.  
2. In May, the company invested and established "Wong Ching Motors Co., Ltd." to distribute Subaru cars.  
3. In August, a joint venture with Indonesia, "P.T. Ve Wong Budi Indonesia" started producing MSG.



- 2000 The Fengtian Plant added the MSG packaging group, dedicated to MSG packaging.
- 2001 “Wong Ching Motors Co., Ltd.” closed its business on April 30.
- 2002 1. In January, the noodle-making set L-6 of the company's Fengtian Plant was awarded the Food GMP Excellence Mark certification.  
2. In April, the company's Fengtian Plant won the ISO-9001: 2000 international quality assurance certification.
- 2003 The company established the Subsidiary “Tai Ve Co., Ltd.” and “Weiguan Co., Ltd.”
- 2004 1. The company was awarded the Excellent Supplier of Welfare Products by the Welfare General Office of the Ministry of Defense for three consecutive years.  
2. The company invested in Thailand’s “Siam Ethanol Export Co., Ltd.” in August.
- 2005 1. The board of directors decided to “invest, build and sell by the company on its own” the company’s land and buildings in Lanya Section, Shilin District, Taipei.  
2. The soy sauce production line of the company's Fengtian Plant was once again awarded the Food GMP Premium Manufacturer certification.
- 2006 1. In July, the seven categories of products: soy sauce, instant noodles, conditioned fast food, canned beverages, instant soup, MSG, and flavored seasonings of the company's Fengtian Plant passed ISO-22000 (ISO-9001 and HACCP) Food Safety Management System certification of the Bureau of Standards-Metrology and Inspection, Ministry of Economic Affairs.  
2. The soy sauce production line of the company's Fengtian Plant was once again awarded the Food GMP Premium Manufacturer certification.
- 2007 1. The company invested in “Koh Kong Plantation Co., Ltd.” in Cambodia in March.  
2. The company purchased 35% of the shares of “Saigon Ve Wong Co., Ltd.” from the Vietnamese shareholder “Ho-Chi-Minh-City food company” to make it a 100% wholly-owned subsidiary of the company, and renamed it “Saigon Ve Wong Co., Ltd.”
- 2008 1. The company invested in “Koh Kong Sugar Industry Co., Ltd.” in Cambodia in January.  
2. In October, the company transferred the equity of “Siam Ethanol Export Co., Ltd.”
- 2009 The company established the Yunlin branch in October.
- 2010 1. In November, the important subsidiary “Tai Ve Co., Ltd.” merged with the sub-subsidiary company “Weiguan Co., Ltd.”  
2. The earnings were transferred to the capital increase, and the capital was increased to NT\$2.4 billion.
- 2011 In November, the subsidiary “Summit Packing Industrial Co., Ltd.” completed the relocation of its plant from Sanchong, New Taipei City to Fengtian Industrial Park, Dapi Township, Yunlin County.
- 2012 1. In May, the subsidiary Summit Packing Industrial Co., Ltd. changed its business address from Sanchong District, New Taipei City to Zhongshan District, Taipei City.  
2. The subsidiary Thai Fermentation Industry Co., Ltd. invested in “Fuji Nihon Thai Inulin Co., Ltd.” (22.5% shareholding).



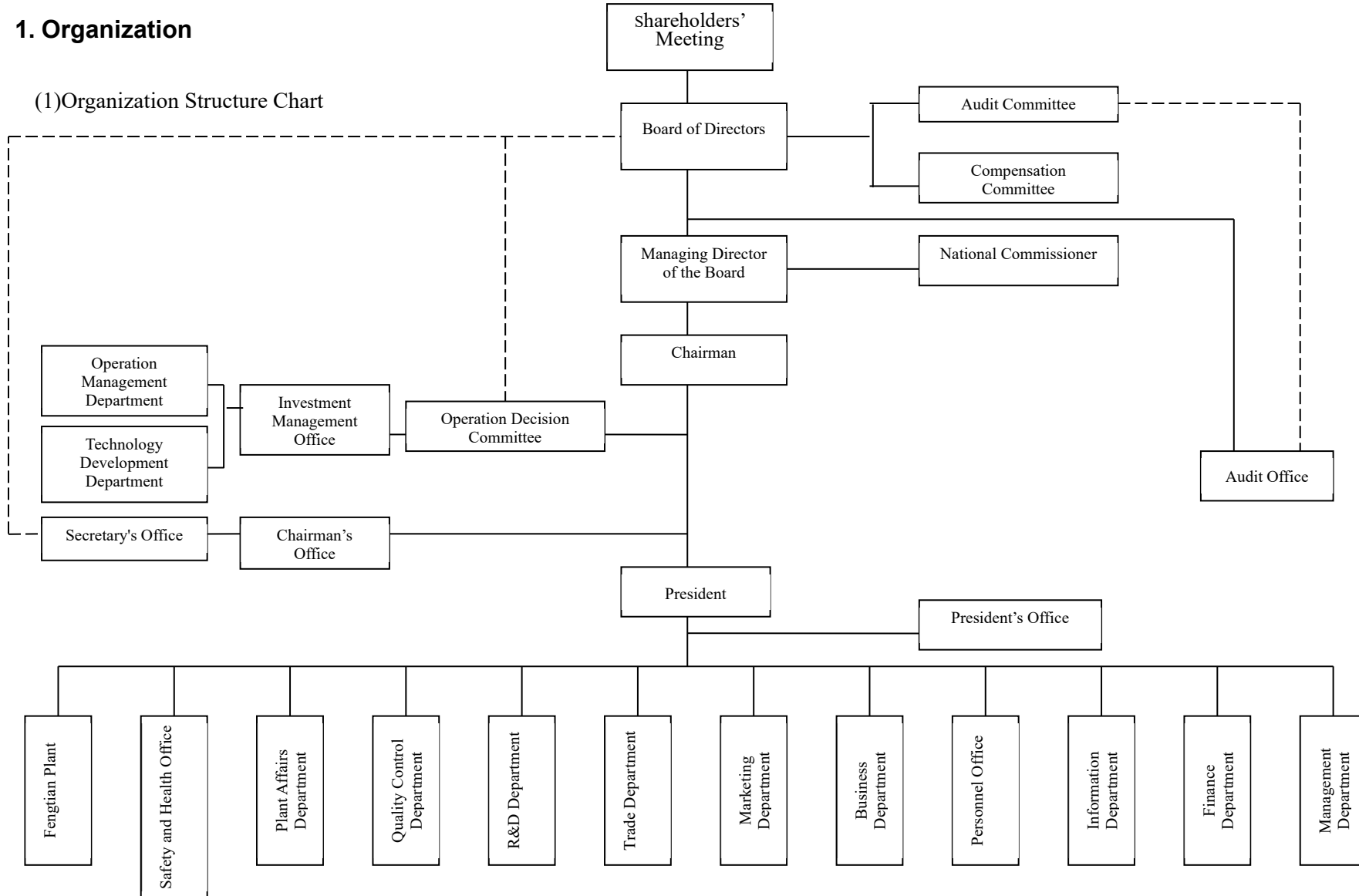
- 2013 The US Food and Drug Administration (USFDA) inspected the plants, and the instant noodle plant and the soy sauce plant passed the management operation assessment.
- 2014 The indirect investment “Fuji Nihon Thai Inulin Co.,Ltd.” officially went into production and began to sell inulin products at home and abroad.
- 2015 The Vietnam plant and the Fengtian Plant each added an instant noodle production line.
- 2016
- 1.In September, the company transferred the shares of “Champion Fermentation Co., Ltd. of Thailand” to its subsidiary Thai Fermentation Industry Co., Ltd. for organization consolidation to strengthen management efficiency.
  - 2.In December, Thai Fermentation Industry Co., Ltd. transferred the shares of its indirect investment “Fuji Nihon Thai Inulin Co.,Ltd..”
- 2017
- 1.In March, the land purchase for the second phase of the Chiayi Dapumei Precision Machinery Industrial Park was completed. The groundbreaking ceremony for the new plant was held on October 5 to build a plant with a floor area of approximately 3,000 pings meters. It is expected that after the completion of the new plant at the end of 2018, it will serve as a production base for the subsidiary Summit Packing Industrial Co., Ltd..
  - 2.In December, the US Food and Drug Administration (USFDA) inspected the plant again, and the Fengtian Plant fully passed the management assessment.
- 2018 In September, a joint venture company “Green TFL Co., Ltd.” was established with “Real Green Foods Co., Ltd.” to produce refined whole vegetable and fruit products.
- 2019
- 1.The Y2 pressing machinery and equipment added to the Fengtian plant's soy sauce group.It was completed in 2019 and started production.
  - 2.In April, Summit Packing Industrial Co., Ltd. completed its relocation to the Jia Yi Da Pu Precision Machinery Park. Production will commence in June, and mass production is scheduled to begin in July and August.
- 2020
- 1.The company cooperated with the EasyCard Corporation to launch the "Ve Wong MSG Shape Eastcard" in January and the "Prince Noodle 50th Anniversary 3D Shape EasyCard " in August.
  - 2.In October, the 50th anniversary of the of Prince Noodle Launched and the award ceremony of the "7<sup>th</sup> Little Prince Love Graffiti Painting Competition", the company donated to the "Republic of China Autism Foundation" ceremony was held.
  - 3.Ve Wong XO Soy Sauce-Jiaodidi (Gan) won the special award of "FUN FOOD TAIWAN" in the brewed product category of "FUN FOOD TAIWAN" hosted by the Industrial Development Bureau of the Ministry of Economic Affairs.
- 2021
- 1.In May, Ve Wong "Braised Taro Chicken with Green Onions", Ve Wong "Pumpkin Soup", Ve Wong "Sweet Taro Soup" were selected for the "2021 Eatender" selection activity of the Council of Agriculture.
  - 2.In October, Ve Wong "Porridge with chicken and red quinoa," was selected in the selection activity of "Standing Foods of Domestic Agricultural and Grain Raw Materials" hosted by the Agriculture and Food Agency of the Council of Agriculture.
  3. In November, Ve Wong "Pumpkin Soup" won the award of "FUN FOOD TAIWAN" of "FUN FOOD TAIWAN" hosted by the Industrial Development Bureau of the Ministry of Economic Affairs.

- 2022
- 1.The automated packaging production line for Little Prince Noodles is undergoing testing and is expected to be launched in 2023.
  - 2.The newly constructed building for the soy sauce division has been completed, and machine equipment installation is currently in progress.

# III. Corporate Governance Report

## 1. Organization

(1) Organization Structure Chart





(2) The business of each main department is as follows:

Department	Business
Audit Office	In charge of company audit and internal control, the business audit of various units, and investigation of employee violations.
Chairman's Office	Comprehensively manage the affairs assigned by the chairman and arrange various data. The Secretary's Office is set up under the Chairman's Office to manage the company's board meetings, confidential matters, seals, and overseas business trips of directors and employees.
Operation Decision Committee	The Investment Management Office is set up under the Operation Decision Committee. The Investment Management Office is in charge of evaluating, recommending, and executing domestic and foreign investment projects reviewed by the Company's Operation Decision Committee and comprehensive management of domestic and foreign investment businesses. The Investment Management Office has units such as the Technology Development Department and Operation Management Department, which are in charge of the technology integration, technology development, and operation management of the company's domestic and foreign investment business and other related affairs.
President's Office	Assisting the President in handling related business.
Management Department	In charge of the company's general affairs, documents, files, stock affairs, assets, vehicle management, domestic and foreign procurement, legal affairs, and other affairs that are not in the control of other departments.
Finance Department	In charge of the company's financial, accounting, taxation, budget, and final accounts preparation, and handling domestic and foreign investment business-related accounting matters.
Information Department	In charge of the company's overall information system planning, implementation, coordination, and control, and supervising the implementation of computer operations in various units.
Personnel Office	In charge of the company's employee recruitment, appointment and dismissal, salary adjustment, transfer, rewards and punishments, and labor insurance, national health insurance, training, and labor relations.
Business Department	In charge of the company's business target formulation and target achievement rate reporting, domestic product sales channel development and management, products for sale in and out of warehouse and distribution management, and all management matters of the headquarters' business office and shipping center.
Marketing Department	In charge of marketing research, marketing data collection, marketing strategy planning and new product development of its product management.
Trade Department	In charge of the company's merchandise export, foreign market development, quotation, contract, letter of credit, delivery, export declaration and cost calculation.





Department	Business
R&D Department	In charge of improving the company's existing products, the development of new products, the collection, research and storage of domestic and foreign technical data, and the handling of foreign technical cooperation matters.
Quality Control Department	In charge of the company's quality control plan formulation, quality control education plan and implementation, raw materials and product sampling inspection, customer complaint handling, and supervision of plant quality control units.
Plant Affairs Department	In charge of the formulation of production plans of the company's production units, assisting in implementing environmental protection work, and assisting in handling domestic and foreign investment-related production technology and machinery and equipment related matters.
Safety and Health Office	In charge of the formulation, planning, promotion, implementation, coordination, supervision, inspection, guidance and improvement of the company's safety and health management plan and establishing a safety and health management system.
Fongtien Plant	Responsible for the company's product manufacturing, processing, packaging, storage and transportation, quality management, management and maintenance of production machinery and equipment, plant public relations and employee management, security, and hygiene.

## 2. Information on the company directors, supervisors, president, vice presidents, assistant vice presidents, and heads of all company divisions and branch units:

### 1. Board Members

#### 1-1 Information Regarding Board Members

April 30, 2023

Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education ( Note 4 )	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Chairman	R.O.C	Great Pacific Navigation Co, Ltd.	-	July 14, 2021	3 years	September 16, 2000	8,355,959	3.482	8,355,959	3.482					National Cheng Kung University	Chairman of The World Champion Co., Ltd./ Tai Ve Co., Ltd. Director of Green Total Food Liquefaction Co., Ltd./ Thai Fermentation Industry Co., Ltd. Managing Director of Formosa TV				
	R.O.C	Representative / Chen, Ching-Fu	Male 71~80	July 14, 2021		September 16, 2000	907,798	0.378	1,079,798	0.450	-	-	-	-						
Managing Director	R.O.C	Chen, Kung-Pin	Male 71~80	July 14, 2021	3 years	June 27, 2003	4,000,267	1.667	4,000,267	1.667	248,884	0.104	-	-	Tamkang University	President of Ve Wong Corporation/ Tai Ve Co., Ltd./ The World Champion Co., Ltd. Chairman of Summit Packing Industrial Co., Ltd./ Summit Packing Industrial Co., Ltd. Director of Thai Fermentation Industry Co., Ltd.				
Managing Director	R.O.C	Kan, Chin-Yu	Male 61~70	July 14, 2021	3 years	June 25, 2009	5,703,728	2.377	6,110,728	2.546	-	-	-	-	Nan Jeon University of Science and Technology	Director of Shihlin Electric & Engineering Corp./ The World Champion Co., Ltd./ Tai Ve Co., Ltd.				
Managing Director	R.O.C	Whole Green Trading Co., Ltd.	-	July 14, 2021	3 years	June 28, 2006	3,064,604	1.277	3,064,604	1.277					Waseda University (Japan)	Director of Summit Packing Industrial Co., Ltd./ The World Champion Co., Ltd./ Tai Ve Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Saigon Ve Wong Co., Ltd./ Thai Fermentation Industry Co., Ltd.	Director	Egawa Hirokazu	brother	
	Japan	Representative / Egawa Manwa	Male 71~80	July 14, 2021		June 28, 2006	0	0	0	0	-	-	-	-						



Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education ( Note 4 )	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	R.O.C Japan	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	- Male 61~70	July 14, 2021	3 years	June 21, 2012	7,215,354	3.006	7,215,354	3.006					Aoyama Gakuin University(Tokyo)	Director of Saigon Ve Wong Co., Ltd.	Managing Director	Egawa Manwa	brother	
Director	R.O.C R.O.C	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	- Male 61~70	July 14, 2021	3 years	June 11, 1999	8,759,761	3.650	8,759,761	3.650					Master of Business Administration, University of Hawaii	Supervisor of The World Champion Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Tai Ve Co., Ltd. Director of Thai Fermentation Industry Co., Ltd. Chairman of Wan Yuan Textiles Co., Ltd./ Chien Shun Trading Co., Ltd.				
Director	R.O.C R.O.C	Syuan Yuan Industrial Co., Ltd. Representative / Chang Rong-Jun	- Male 61~70	July 14, 2021	3 years	June 28, 2006	3,700,005	1.542	3,700,005	1.542					Master of Management, National Yunlin University of Science and Technology	Supervisor of Taichung International Entertainment Corporation / Shanghai Village Culinary Co., Ltd.				
Director	R.O.C R.O.C	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo	- Male 71~80	July 14, 2021	3 years	June 26, 1997	1,896,990	0.790	1,896,990	0.790					Da Der Commercial and Technical School	Director of Summit Packing Industrial Co., Ltd./ Saigon Ve Wong Co., Ltd. Chairman of Ding Wang Marketing Co., Ltd. / Ding Chang Marketing Co., Ltd. / Ding Pet Marketing Co., Ltd.				
Director	R.O.C R.O.C	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	- Male 61~70	July 14, 2021	3 years	May 28, 1993	1,822,668	0.759	1,822,668	0.759					Department of Statistics / National Chengchi University	Chairman & President of Chung Ho Spinning Co., Ltd.				
Director	R.O.C R.O.C	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	- Male 71~80	July 14, 2021	3 years	June 01, 1994	1,129,369	0.471	1,129,369	0.471					Master's degree / University of Minnesota	Chairman of K Line (Taiwan) Ltd. / Chuan Lun Investment Co., Ltd. /Joy Medical Devices Corp. Director of King Polytechnic Engineering Co., Ltd./ Summit Packing Industrial Co., Ltd.				



Job title(note.1)	Nationality or Record of Birth	Name	Gender Age (Note 2)	Date of Assignment	Term of office	Date of First Assignment (Note.3)	Shares held when appointed		Shares held currently		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education ( Note 4 )	Concurrently Serving Position	Executives or Directors who are spouses or within two degrees of kinship			Remarks (Note 5)
							Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Title	Name	Relation	
Director	R.O.C R.O.C	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	- Male 71~80	July 14, 2021 July 14, 2021	3 years	June 01, 1994 June 26, 2018	274,741 333	0.114 0.000	274,741 333	0.114 0.000	45,128	0.019	- -	- -	Soochow University	President of Thai Fermentation Industry Co., Ltd.				
Director	R.O.C R.O.C	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	- Female 71~80	July 14, 2021	3 years	June 26, 2018 January 31, 2020	22,784,966 487,446	9.494 0.203	22,784,966 487,446	9.494 0.203	- -	- -	- -	- -	Higher Vocational Education	Chairman of ChuanWei Investment Co., Ltd.				
Independent Director (Managing Director)	R.O.C	Liao, Chi-Fang	Male 61~70	July 14, 2021	3 years	June 23, 2015	0 0	0 0	0 0	0 0	- -	- -	- -	- -	Master of Business Administration / National Taiwan University	Convenor of the Audit Committee and Compensation Committee of Ve Wong Corporation President of Formosa TV				
Independent Director	R.O.C	Chiang, Wen-Chang	Male 71~80	July 14, 2021	3 years	June 26, 2018	0 0	0 0	0 0	0 0	- -	- -	- -	- -	-Department of Agricultural Chemistry, College of Agriculture, NTU -Master and Ph.D., Department of Agricultural Chemistry, Division of Agricultural Sciences, the Graduate School, the University of Tokyo, Japan	Member of the Audit Committee of Ve Wong Corporation Professor Emeritus, Institute of Food Science and Technology, College of Bioresource and Agriculture, NTU. Chairman of Kuang Ta Foods Corp.				
Independent Director	R.O.C	Hu, Tung-Huang	Male 81~90	July 14, 2021	3 years	July 14, 2021	110,000	0.046	110,000	0.046	- -	- -	- -	- -	Department of Shipping and Transportation Management, National Taiwan Ocean University	Member of the Audit Committee and Compensation Committee of Ve Wong Corporation Head of United Pacific Shipping Agency Co., Ltd./ TLS Pacific Co., Ltd.				

Note 1: Institutional shareholders are to have the name of institutional shareholders and representatives presented separately (for the representative of institutional shareholders, the name of the institutional shareholders should be indicated) and fill in Table below.

Note 2: Please list the actual age and express it in intervals, such as 41-50 years old or 51-60 years old.

Note 3: Fill in the date of being elected as the director or supervisor for the first time and with the discontinuity stated, if any.

Note 4: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 5: The chairman of the company and the general manager or equivalent (the top manager) are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors and should More than half of the directors have not served as employees or managers, etc.) related information.





## 1-2. Major Shareholders of Institutional Shareholders

April 30, 2023

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Great Pacific Navigation Co, Ltd.	Chen Xi-He Egawa Manwa Chen, Yueh-Feng Chen, Chin-He Egawa Taketada Egawa Shurei Zhiyi Linghua Egawa Chiho Wan Kuo Trading Co., Ltd.	25.21 25.19 17.47 12.60 8.02 7.63 3.82 0.05 0.01
Oversea Fruits Trading Co., Ltd.	Great Pacific Navigation Co, Ltd. Chen, Yueh-Feng Chen, Rong-Xiang Chen Yen, Jin-Yheh Chen, Xi-He Egawa Norikazu Chen, Wan-He	62.82 24.00 12.02 0.52 0.20 0.20 0.24
Overseas Bros Co., Ltd.	Chen, Yueh-Feng Egawa Taketada Great Pacific Navigation Co., Ltd. Egawa Shurei	18.23 19.55 36.04 25.42
Her Yeu Trading Co., Ltd.	Great Pacific Navigation Co., Ltd. Egawa Hirokazu Egawa Norikazu Egawa Manwa Wan Kuo Trading Co., Ltd. Hao Shine Trading Co., Ltd. Egawa Taketada	29.86 14.83 14.83 14.83 12.76 12.76 0.14
Whole Green Trading Co., Ltd.	Egawa Taketada Great Pacific Navigation Co., Ltd. Chen, Yueh-Feng Chen, Ling-Ling Chen, Rong-Xiang	85.17 5.17 4.83 2.41 2.41
Chien Shun Trading Co., Ltd.	Du, Heng-Yi Ting Chien Co., Ltd. Du, Jun-Xian Du, Jun-De Shueh, Shiue-Jen Ting Fang Investment Co., Ltd. Du, Wan-Quan Charity Foundation Du, Ming-You Du, Guan-En	57.08 19.64 2.65 3.37 16.44 0.08 0.02 0.54 0.18



Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Syuan Yuan Industrial Co., Ltd.	Huang, Chin-Ze Chen, Hong-Mo Ke, Zong-Zhi Hong, Yao-Ming	34.81 9.80 25.00 30.39
Fu Tai Investment and Development Co., Ltd.	Tan-Lien Investment Co., Ltd. Shen-Po investment Co., Ltd. Kao-Tien Investment Co., Ltd. Tan-Tse Enterprise Co., Ltd. Tan-Tung Investment Co., Ltd. Mei-Te Investment Co., Ltd. Yung-Jen Investment Co., Ltd. Tung-An Investment Co., Ltd. Kao-Chi Investment Co., Ltd. Huang-Pin Investment Co., Ltd.	24.19 9.22 7.37 7.32 7.29 6.23 5.10 4.81 4.53 3.39
Hsieh Mei Enterprise Co., Ltd.	Yeh, Ying-Mei Yeh, Chii-Jau Yeh, Ying-Xian Chen, Zang-Gu Yeh, Yuan-Zhu Tseng, Shu-Yun Chang Hsin Investment Co., Ltd. Yeh, Ying-Qiu Lai, Rong-Nian Yeh, Chei-Fang	16.28 15.47 12.42 10.88 9.10 6.35 6.25 5.80 3.25 2.55
Chuan Lun Investment Co., Ltd.	Lai, Chee-Lee Lai, Jay-Lun Chen, Pi-Chuan Lai, Hsiao-Lun Chiang, Pei-Yu Lai, Hsing-Chien	30.00 24.00 22.25 17.52 5.74 0.49

Note 1: If the director or supervisor is the representative of the institutional shareholders, the name of the institutional shareholders should be indicated.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are institutional shareholders, please fill out Table below.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed before the opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan for inquiries) and the capital contribution or donation ratio. If the donor has passed away should add the note "deceased".



## 1-3. Major shareholder of the major institutional shareholders

April 30, 2023

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Great Pacific Navigation Co, Ltd.	As the previous table of Major Stockholders of Institutional Shareholders	
Wan Kuo Trading Co., Ltd.	Chen, Yueh-Feng	41.33
	Egawa Hirokazu	8.67
	Great Pacific Navigation Co, Ltd.	2.00
	Egawa Taketada	30.60
	Egawa Norikazu	8.67
	Egawa Manwa	8.67
Hao Shine Trading Co., Ltd.	Chen, Yueh-Feng	86.00
	Egawa Taketada	13.86
	Chen, Rong-Xiang	0.14
Ting Chien Co., Ltd.	Karbo Holding ltd. (B.V.I.)	45.00
	Cheery Holding ltd. (B.V.I.)	45.00
	Du, Heng-Yi	7.00
	Shueh, Shiue-Jen	1.67
	Du, Wan-Quan Charity Foundation	0.33
	Ting Sing Co., Ltd.	1.00
Ting Fang Investment Co., Ltd.	Du, Heng-Yi	43.28
	Ting Sing Co., Ltd.	23.70
	Shueh, Shiue-Jen	4.11
	Ting Chien Co., Ltd.	1.58
	Chien Shun Trading Co., Ltd.	27.01
	Du, Wan-Quan Charity Foundation	0.32
Tan-Lien Investment Co., Ltd.	Yang, Tou-Hsiung	2.40
	Yang, Shi-An	34.40
	Yang, Shi-Fu	10.00
	Yang, Shi-Qing	29.40
	Yang, Shi-Guang	20.00
	Lin, Bi-Zhu	0.20
	Yang, Yu-Xuan	1.80
	Yang, Yu-De	1.80
	Shen-Po Investment Co., Ltd.	Pinzheng Investment Co., Ltd.
Danpo Investment Co., Ltd.		25.85
Chung-Ya Investment Co., Ltd.		15.25
Danpo Investment Co., Ltd.		13.14
Yang, Yun-De		6.74
Yang, Zong-Zhan		3.98
Yang, Fu-Cheng		3.98
Yang, Zheng		2.54
Yang, Shi-Xi		1.19
Yang, Kai-Li		1.06



Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Kao-Tien investment Co., Ltd.	Yang, Tong Liang, Chun-Man Tan-Tung Investment Co., Ltd. Yang, Hsin-Yi Yang, Tsai-Jung	53.67 31.74 4.94 4.80 4.85
Tan-Tse Enterprise Co., Ltd.	Kao-Chi Investment Co., Ltd. Yang-Chi Investment Co., Ltd. Huang-Pin Investment Co., Ltd. Yung-Jen Investment Co., Ltd. Yang, Meng-Da Yang, Yong-Huang Yang, Kun-Xiang Yang, Kun-Chou	24.55 24.55 24.45 25.00 0.09 0.45 0.45 0.45
Tan-Tung Investment Co., Ltd.	Tung-An Investment Co., Ltd. Mei-Te Investment Co., Ltd. Kao-Tien Investment Co., Ltd. Xiong, Zhen-Zhen Yang, Wen-Hu Yang, Chen-Wen Yang, Tong	29.63 32.04 32.59 0.37 3.70 0.93 0.74
Mei-Te Investment Co., Ltd.	Yang, Chen-Wen Xiong, Zhen-Zhen Yang, Tse-Yu Yang, Tse-Jui Yang, Ya-Tsu	4.03 9.73 28.74 28.75 28.75
Yung-Jen Investment Co., Ltd.	Yang, Xiu-Qin Yang, Yung-Jen Yang, Su-Xin Yang, Hua-Ying Chen, Hui-Zhu Jiang, Zheng-Ting Jiang, Yun-Ting Li, Meng-Rong Li, Yi-Xuan Yang, Huai-Qing Yang, Huai-Lei	6.00 20.00 2.00 2.00 22.00 2.00 2.00 2.00 2.00 20.00 20.00
Tung-An Investment Co., Ltd.	Yang, Wen-Hu Yang, Li-Hsu Yang, Ya-Xing	90.49 8.98 0.53
Kao-Chi Investment Co., Ltd.	Yang, Kun-Chou Yang, Cheng-Yu Yang, Chia-Wen Yang, Chia-Hui	25.00 25.00 25.00 25.00





Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Huang-Pin Investment Co., Ltd..	Yang, Yong-Huang	25.00
	Yang, Meng-Da	25.00
	Yang, Ping-Hsuan	25.00
	Yang, Ya-Wen	25.00
Chang Hsin Investment Co., Ltd.	Yeh, Xun-Wan	30.40
	Yeh, Xun-Yang	16.00
	Tseng, Shu-Yun	10.00
	Yeh, Yuan-Zhu	10.00
	Yeh, Chii-Jau	8.64
	Hsieh Mei Enterprise Co., Ltd.	8.00
	Yeh, Ying-Xian	6.00
	Yeh, Ying-Qin	5.60
	Yeh, Chei-Fang	2.00

Note 1: If the major shareholders in Table 1 are institutional shareholders, please state the name of the institutional shareholders.

Note 2: Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders.

Note 3: If a legal person shareholder is not a company organizer, the name of the shareholder and shareholding ratio that should be disclosed before the opening is the name of the investor or donor (refer to the announcement of the Judicial Yuan for inquiries) and the capital contribution or donation ratio. If the donor has passed away should add the note "deceased".

## 2. Information of Directors

### 1. Disclosure of Professional Qualifications of Directors and Independence of Independent Directors

Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Chen, Ching-Fu	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience, rich practical experience in the food industry, and leadership skills.</li> <li>• Served as the Managing Director of the Company.</li> <li>• The current Chairman of the Company/ The World Champion Co., Ltd./ Tai Ve Co., Ltd./ Saigon Ve Wong Co., Ltd.; Director of Green Total Food Liquefaction Co., Ltd./ Thai Fermentation Industry Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Chen, Kung-Pin	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience, rich practical experience in the food industry, and leadership skills.</li> <li>• Served as the Managing Director of the Company.</li> <li>• The current President of the Company/ Tai Ve Co., Ltd./ The World Champion Co., Ltd.; Chairman of Summit Packing Industrial Co., Ltd./ Green Total Food Liquefaction Co., Ltd.; Director of Thai Fermentation Industry Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Kan, Chin-Yu	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Managing Director of the Company</li> <li>• Director of Shihlin Electric &amp; Engineering Corp./ The World Champion Co., Ltd./ Tai Ve Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Egawa Manwa	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Managing Director of the Company</li> <li>• The current Director of The World Champion Co., Ltd./ Summit Packing Industrial Co., Ltd./ Tai Ve Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Saigon Ve Wong Co., Ltd./ Thai Fermentation Industry Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Egawa Hirokazu	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience</li> <li>• Served as the Director of the Company.</li> <li>• The current Director of Saigon Ve Wong Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Du, Heng-Yi	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Resident Supervisor of the Company.</li> <li>• The current Chairman of Wan Yuan Textiles Co., Ltd./ Chien Shun Trading Co., Ltd.; Supervisor of The World Champion Co., Ltd./ Green Total Food Liquefaction Co., Ltd./ Tai Ve Co., Ltd.; Director of Thai Fermentation Industry Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Chang, Rong-Jun	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• The current Supervisor of Taichung International Entertainment Corp./ Shanghai Village Culinary Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Chou, Hai-Kuo	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Director of the Company.</li> <li>• The current Chairman of Ding Wang Marketing Co., Ltd. / Ding Chang Marketing Co., Ltd. / Ding Pet Marketing Co., Ltd.; Director of Summit Packing Industrial Co., Ltd./ Saigon Ve Wong Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Yeh, Chii-Jau	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Department of Statistics, National Chengchi University</li> <li>• Served as the Director of the Company.</li> <li>• The current Chairman and President of Chung Ho Spinning Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Lai, Chee-Lee	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Director of the Company.</li> <li>• The current Chairman of K LINE (Taiwan) Ltd./ Chuan Lun Investment Co., Ltd. /Joy Medical Devices Corp.; Director of King Polytechnic Engineering Co., Ltd./ Summit Packing Industrial Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Lee, Chi-Lung	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Director of the Company.</li> <li>• The current President of Thai Fermentation Industry Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None
Chen, Yueh-Feng	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Served as the Director of the Company.</li> <li>• The current Chairman of Chuan Wei Investment Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	Not applicable	None



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Liao, Chi-Fang	<ul style="list-style-type: none"> <li>• With more than five years of work experience in business, accounting, and corporate business</li> <li>• Master of Business Administration, National Taiwan University</li> <li>• Previously served as Financial Director of a public offering company, good at cost-benefit assessment and financial control, with accounting or financial expertise.</li> <li>• The current Independent Director of the Company; Convenor of the Audit Committee and Compensation Committee; President of Formosa TV</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not have a spouse or family relationship within the second degree of kinship with other directors.</li> <li>• No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act.</li> <li>• None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred.</li> <li>• Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</li> </ul>	None
Chiang, Wen-Chang	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Department of Agricultural Chemistry, College of Agriculture, NTU Master and Ph.D., Department of Agricultural Chemistry, Division of Agricultural Sciences, the Graduate School, the University of Tokyo, Japan</li> <li>• The current Independent Director of the Company; Member of the Audit Committee and Compensation Committee; Chairman of Kuang Ta Foods Corp.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not have a spouse or family relationship within the second degree of kinship with other directors.</li> <li>• No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act.</li> <li>• None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred.</li> <li>• Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</li> </ul>	None
Hu, Tung-Huang	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• The current Independent Director of the Company; Member of the Audit Committee and Compensation Committee; Head of United Pacific Shipping Agency Co., Ltd./ TLS Pacific Co., Ltd.</li> <li>• There are no matters related to Article 30 of the Company Act.</li> </ul>	<ul style="list-style-type: none"> <li>• Does not have a spouse or family relationship within the second degree of kinship with other directors.</li> <li>• No government, legal person, or its representative be elected as stipulated by Article 27 of the Company Act.</li> <li>• None of the incidents stipulated in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” have occurred.</li> <li>• Meet the qualification of Independent Director by “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”.</li> </ul>	None



## 2. Board Diversity and Independence

### (1) Board Diversity

According to Article 20 of the Company's "Corporate Governance Best Practice Principles" and the "Procedures for Election of Directors and Supervisors", the composition of the board of directors should consider diversity, and formulate an appropriate diversity policy according to its own operation, operation type and development needs, which should include but It is not limited to the following two standards and management objectives: 1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc. In addition, directors should generally have the knowledge, skills, and qualities necessary to perform their duties. The overall ability of the board of directors should be: 1. Operational judgment ability, 2. Accounting and financial ability, 3. Operation and management ability, 4. Crisis handling ability, 5. Industry knowledge, 6. International market outlook, 7. Leadership ability, 8. Decision-making ability. The 21<sup>st</sup> and 22<sup>nd</sup> directors of the company are all 15 members (there are 1 female and 14 male members, and the age distribution of the 22<sup>nd</sup> directors: 6 people are 61 to 70 years old, accounting for 40%, and 9 are over 71 years old. people, accounting for 60%), two of the directors live in Japan because of multiculturalism, and they generally have the knowledge, skills, and qualities necessary to perform their duties.

The diversity of the current board members of the company is as follows:

Name	Basic Component								Professional Knowledge and Ability							
	Nationality	Gender	Employed	Age			Length of term of independent directors.		Operating Judgment	Accounting & Financial	Operating Management	Crisis Management	Industry Knowledge	Global Market Knowledge	Leadership	Decision-making
				61-70	71-80	81-90	Less than 3 years	3-6 years								
Chen, Ching-Fu	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Chen, Kung-Pin	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Kan, Chin-Yu	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Egawa Manwa	Japan	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Egawa Hirokazu	Japan	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Du, Heng-Yi	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Chang, Rong-Jun	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Chou, Hai-Kuo	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Lai, Chee-Lee	R.O.C.	Male	-	-	V	-	-	-	V	V	V	V	V	V	V	V
Yeh, Chii-Jau	R.O.C.	Male	-	V	-	-	-	-	V	V	V	V	V	V	V	V
Lee, Chi-Lung	R.O.C.	Male	V	-	V	-	-	-	V	V	V	V	V	V	V	V
Chen, Yueh-Feng	R.O.C.	Female	-	-	V	-	-	-	V	V	-	V	-	V	V	V
Liao, Chi-Fang	R.O.C.	Male	-	V	-	-	-	V	V	V	V	V	V	V	V	V
Chiang, Wen-Chang	R.O.C.	Male	-	-	V	-	-	V	V	V	V	V	V	V	V	V
Hu, Tung-Huang	R.O.C.	Male	-	-	-	V	V	-	V	V	V	V	V	V	V	V



The current board of directors of the company consists of 15 directors. The specific management objectives and achievement of the diversity policy of the board of directors are as follows:

Management Goals	Achievement
The number of independent directors shall not be less than one-fifth of the number of directors.	Reached
Board members shall include at least one female director.	Reached
No more than two directors shall be spouses or relatives within the second degree of kinship.	Reached
The number of directors who also serve as managers of the company shall not exceed one-fifth of the number of directors.	Reached

## (2) Board Independence

There are currently 15 members of the board of directors of the company, including 3 independent directors, which comply with “no less than one-fifth of the number of directors” stipulated by the Securities and Exchange Act and the Company's Articles of Incorporation. The professional qualifications, shareholding, part-time restrictions, independence determination, nomination and selection methods, the exercise of powers and other matters to be complied with by independent directors shall be handled in accordance with the Securities and Exchange Act and relevant laws and regulations.

## 2. Information of President, Vice President, Assistant Vice President, and heads of all the Company divisions

April 30, 2023

Title (Note.1)	Nationality	Name	Gender	Elected (inauguration) Date	Shares		Shareholding of spouse and underage children		Shareholdings in the names of others		Work experience (academic degree) (Note.2)	Position(s) held concurrently in the Company and/or in any other company	Managers who are Spouses or Within Two Degrees of Kinship			Remark (Note.3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Chen, Kung-Pin	Male	March 01,2007	4,000,267	1.667	248,884	0.104	—	—	Tamkang College of Arts and Sciences	—	—	—	—	
Deputy General Manager	R.O.C.	Lee, Chi-Lung	Male	May 01,2016	333	0.000	45,128	0.019	—	—	Soochow University	—	—	—	—	
Associate Manager	R.O.C.	Cheng, Xuan-Zhang	Male	January 15, 2010	0	0	18,000	0.008	—	—	MBA Wright University	—	—	—	—	
Manager	R.O.C.	Wei, Jing-Xiong	Male	January 01, 2000	0	0	—	—	—	—	Soochow University	—	—	—	—	
Manager	R.O.C.	Yu, De-Pu	Male	September 01, 2019	0	0	—	—	—	—	Master / National Chung Hsing University	—	—	—	—	
Manager	R.O.C.	Chen, Rong-Xian	Male	September 01, 2019	0	0	—	—	—	—	Fu Jen Catholic University	—	—	—	—	
Factory Director	R.O.C.	Zheng, Ming-Tang	Male	April 24, 2012	0	0	—	—	—	—	National Pingtung Agricultural College	—	—	—	—	
Factory Director	R.O.C.	Yang, Wen-Cheng	Male	February 01, 2023	0	0	—	—	—	—	National Pingtung Agricultural College	—	—	—	—	
Manager of Finance and Accounting	R.O.C.	Lu, Wen-Chieh	Male	November 12, 2021	0	0	—	—	—	—	National Taipei University	—	—	—	—	

Note 1: It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to General Manager, Deputy General Manager, or Associate Manager.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, please state the job title and the job responsibilities.

Note 3: The President or equivalent (the top manager) and the chairman of the company are the same person, are relatives of each other, such as spouse or one parent, should explain the reasons, rationality, necessity, and corresponding measures (such as increasing the number of independent directors and should more than half of the directors have not served as employees or managers, etc.) related information.

Note: 1. Factory Director Zheng, Ming-Tang was retired on January 31, 2023.

2. The company does not have the circumstances of Note 3.



### 3. Remuneration Paid to Directors, General Manager, Deputy General Manager

Unit: NT\$ thousand

Job Title	Name (Note 1)	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee						The sum of A, B, C, D, E, F, and G to Earnings (Note 10)		Whether remuneration from		
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 6)						
		the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)		the Company	Companies included in the financial statement (Note 7)
Chairman	Great Pacific Navigation Co., Ltd. Representative / Chen, Ching-Fu																					
Managing Director	Chen, Kung-Pin																					
Managing Director	Kan, Chin-Yu																					
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa																					
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung																					
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	3,000	3,000	-	-	17,722	17,722	2,283	5,460	23,005 3.68%	26,182 4.19%	2,928	2,928	-	-	131	-	131	-	26,064 4.17%	29,241 4.68%	None
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo																					
Director	Syuan Yuan Industrial Co., Ltd. Representative / Chang Rong-Jun																					
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau																					
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee																					
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi																					
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng																					





Job Title	Name (Note 1)	Remuneration of Director								The sum of A, B, C, and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee						The sum of A, B, C, D, E, F, and G to Earnings (Note 10)		Whether remunerated from				
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G) (Note 6)								
		the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	Cash dividend	Stock dividend	the Company	Companies included in the financial statement (Note 7)					
Independent Director (Managing Director)	Liao, Chi-Fang	-	-	-	-	4,278	4,278	621	621	4,899	4,899	0.78%	0.78%	-	-	-	-	-	-	4,899	4,899	0.78%	0.78%	None
Independent Director	Chiang, Wen-Chang																							
Independent Director	Hu, Tung-Huang																							

1. Please describe the policy, system, standards and structure of independent directors' compensation and the correlation with the amount of compensation paid based on the responsibilities, risks, and time commitment.  
The remuneration payment is estimated in accordance with the company's articles of association and processed after discussion by the board of directors and a report at the shareholders meeting. The actual payment has been made with reference to the results of the director's performance evaluation and the recommendations after discussion by the remuneration committee for the board of directors' reference and will be implemented after approval.

2. Remuneration to Directors providing service to entities within the Company's most recent financial reporting period (such as serving as non-employee consultants), in addition to remuneration disclosed in the above table: None.

\*It should include the information disclosure of the Director(non-independent director), and the Independent Directors.



### Breakdown of remuneration

Breakdown of remuneration of Directors	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	the Company (Note 8)	Companies included in the financial statement H (Note 9)	the Company (Note 8)	All investees I (Note 9)
Less than NT\$1,000,000	-	-	-	-
NT\$1,000,000 (inclusive)~NT\$2,000,000	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Syuan Yuan Industrial Co., Ltd. Representative / Chang, Rong-Jun Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Chiang, Wen-Chang Hu, Tung-Huang	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Syuan Yuan Industrial Co., Ltd. Representative / Chang, Rong-Jun Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Chiang, Wen-Chang Hu, Tung-Huang	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Syuan Yuan Industrial Co., Ltd. Representative / Chang, Rong-Jun Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Chiang, Wen-Chang Hu, Tung-Huang	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo Syuan Yuan Industrial Co., Ltd. Representative / Chang, Rong-Jun Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng Chiang, Wen-Chang Hu, Tung-Huang
NT\$2,000,000 (inclusive)~NT\$3,500,000	Chen, Kung-Pin Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Liao, Chi-Fang	Chen, Kung-Pin Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Liao, Chi-Fang	Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Liao, Chi-Fang	Kan, Chin-Yu Whole Green Trading Co., Ltd. Representative / Egawa Manwa Liao, Chi-Fang
NT\$3,500,000 (inclusive)~NT\$5,000,000	-	-	Chen, Kung-Pin	-
NT\$5,000,000 (inclusive)~NT\$10,000,000	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu Chen, Kung-Pin	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu Chen, Kung-Pin
NT\$10,000,000 (inclusive)~NT\$15,000,000	-	-	-	-
NT\$15,000,000 (inclusive)~NT\$30,000,000	-	-	-	-
NT\$30,000,000 (inclusive)~NT\$50,000,000	-	-	-	-
NT\$50,000,000 (inclusive)~NT\$100,000,000	-	-	-	-
NT\$100,000,000 above	-	-	-	-
Total	15	15	15	15

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form and Form (3-1) or (3-2) must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).



Note 3: It refers to the remuneration of directors to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not yet been submitted to the Shareholders' Meeting for approval.

Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances, and the provision of dormitory and vehicle, etc.). When a car, house, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such an amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such an amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such an amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form 1-3 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 8: Disclose the name of the directors in the respective range of total remuneration received from the Company.

Note 9: Disclose the name of the directors in the respective range of total remuneration received from all the companies included in the consolidated financial statements (including the Company).

Note 10: It refers to the net income of the recent year. After the adoption of IFRS.

Note 11: a. It is required to specify in this column the relevant remuneration amount the directors of the Company received from the reinvested companies other than the subsidiaries.

b. If the Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column J. In addition, the column title shall be revised as "All reinvested companies."

c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to the Company's director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

\* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.



Remuneration of General Manager, Deputy General Manager

Unit: NT\$ thousand

Job Title	Name	Salary (A)		Pension (B) (Note1)		Salaries, bonus, and special subsidies (C) (Note 2)		Employee bonus allocated from earnings (D) (Note 3)				The sum of A, B, C and D in proportion to Earnings (Note 4)		Whether remuneration from any reinvested other than subsidiaries is received? (Note 6)
		the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company		Companies included in the financial statement (Note 5)		the Company	Companies included in the financial statement (Note 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
General Manager	Chen, Kung-Pin	2,405	2,405	-	-	523	523	131	-	131	-	3,059 0.49%	3,059 0.49%	None

\*It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to President, Deputy President, or Associate Manager.





## 3. Employee bonus amount paid to managerial officers

April 30, 2023  
Unit: NT\$ thousand

	Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Proportion to Earnings After Tax (%)
Managerial officer	General Manager	Chen, Kung-Pin	0	435	435	0.07%
	Associate Manager	Cheng Xuan-Zhang				
	Manager	Wei, Jing-Xiong				
	Manager	Yu, De-Pu				
	Manager	Chen, Rong-Xian				
	Factory Director	Yang, Wen-Cheng				
	Manager of Finance and Accounting	Lu, Wen-Chieh				

Note 1: Names and job titles of each individual should be separately disclosed. The amount of remunerations can be disclosed in summary.

Note 2: It refers to the employee remuneration (including stock and cash) received by the managerial officers that are distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of the board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 3: The scope of application for managers is defined in accordance with the Tai.Chai.Chen (III) No. 0920001301 Letter dated March 27, 2003, by the SEC as follows:

- (1) General Manager and the equals
- (2) Deputy General Manager and the equals
- (3) Associate Manager and the equals
- (4) General Manager of Finance Department
- (5) General Manager of Accounting Department
- (6) Managerial officers and the individuals authorized to sign

Note 4: If Directors, General Manager, and Deputy General Manager have collected employee remuneration (including stock and cash), in addition to filling out Form 1-2, please fill out this Form too.

4. Compare and explain the total remuneration paid to the directors, supervisors, the president, and vice presidents of the Company in the most recent two years as a proportion of the Company and consolidated financial statement's net profit after tax in the individual or respective financial report, and explain the remuneration policy, standard and combination, the procedure for setting remuneration, and its correlation with business performance and future risks:

- (1) An analysis of the proportion of the total remuneration paid to the directors, supervisors, the president, and vice presidents of the Company as a proportion of the Company's net profit after tax in the individual or respective financial report:

The Company's total remuneration paid to directors, supervisors, the president, and vice presidents as a proportion of the company's net profit after tax is shown in the following table. The total remuneration in 2022 was slightly higher than in 2021, and the proportion of net profit after tax decreased, but there was no significant change. The total remuneration for 2021 and 2022 is not higher than the industry level and is reasonable.

The Company has set up the Audit Committee to replace the supervisor on June 26, 2018. There is still some supervisor's remuneration in 2018, and there has been no supervisor's remuneration since 2019.



Year	Net profit after tax (Thousand New Taiwan Dollars)	Category	Directors' total remuneration as a proportion of net profit after tax	The total remuneration of the president and vice presidents as a proportion of net profit after tax
2021	447,878	The Company	5.05%	0.68%
		Consolidated financial statement in the consolidated statement	5.77%	0.68%
2022	625,396	The Company	4.46%	0.49%
		Consolidated financial statement in the consolidated statement	4.97%	0.49%

- (2) Remuneration policies, standards and combinations, procedures for determining remuneration, and their relevance to business performance and future risks:

The directors of the Company's remuneration standards have been stipulated in the Company's Articles of Incorporation. The remunerations of the president and vice presidents are determined in accordance with the company's regulations while considering market levels and the operating performance, as well as the Company's ability to pay in response to future risks. Besides, the remunerations have been approved by the Company's Compensation Committee and the board meeting.



## 4. Implementation of Corporate Governance

### (1) Operations of Board of Directors

The Board held 5 (A) meetings in 2022. The attendance record of the Directors is listed below:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A)	Remark
Chairman	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	5	0	100%	Re-elected. The Board held 5 meetings
Managing Director	Chen, Kung-Pin	4	1	80%	Re-elected. The Board held 5 meetings
Managing Director	Kan, Chin-Yu	5	0	100%	Re-elected. The Board held 5 meetings
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa	0	5	0%	Re-elected. The Board held 5 meetings
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	0	5	0%	Re-elected. The Board held 5 meetings
Director	Syuan Yuan Industrial Co., Ltd. Representative / Yang, Kun-Chou	5	0	100%	Re-elected. The Board held 5 meetings
Director	Syuan Yuan Industrial Co., Ltd.	5	0	100%	Re-elected. The Board held 5 meetings
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo	4	1	80%	Re-elected. The Board held 5 meetings
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	3	2	60%	Re-elected. The Board held 5 meetings
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	5	0	100%	Re-elected. The Board held 5 meetings
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	0	5	0%	Re-elected. The Board held 5 meetings
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	5	0	100%	Re-elected. The Board held 5 meetings
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	5	0	100%	Re-elected. The Board held 5 meetings
Independent Director (Managing Director)	Liao, Chi-Fang	5	0	100%	Re-elected. The Board held 5 meetings
Independent Director	Chiang, Wen-Chang	5	0	100%	Re-elected. The Board held 5 meetings
Independent Director	Hu, Tung-Huang	5	0	100%	Re-elected. The Board held 5 meetings.
Other items to be specified:					
1. Should one of the following occur, the meeting date, period, content of the resolution, opinions of all Independent Directors, and the Company's handling of the opinions of the Independent Directors shall be clearly stated:					
(1) All the listed items in Article 14-3 of the Securities and Exchange Act.					
(2) In addition to the aforementioned, the items in board resolutions regarding which Independent Directors have voiced opposing or qualified opinions on the record or in writing.					



Board of Directors	Discussions and Resolutions	Matters Specified in Article 14-3 of the Securities and Exchange Act	Independent directors oppose or reservations
4 <sup>th</sup> Meeting of 22 <sup>st</sup> Board Mar. 30, 2022	1. Issues of employee compensation in 2021 and the amount of employee compensation for each manager.	V	
	2. Amount of 2021 remuneration for directors.	V	
	3. Amount of 2021 remuneration paid to independent directors.	V	
	4. Appointment of CPAs' Remuneration of Certified Public Accountants and Independent Assessment of Accountants in 2022.	V	
	5. Proposal of amendments to articles of Procedures for the Acquisition or Disposal of Assets.	V	
6 <sup>th</sup> Meeting of 21 <sup>st</sup> Board Aug. 10, 2022	1. Define the internal control of the "compilation and verification of the sustainability report", which are the "Key Operations of Internal Control" and "Key Operations of Internal Auditing" of the preparation and verification of the Sustainability Report.	V	
8 <sup>th</sup> Meeting of 22 <sup>nd</sup> Board Nov. 26, 2022	1. Discuss the loan application of Tai Ve Co., Ltd.	V	
Independent directors oppose or reservations: None			
The company's handling of independent directors' opinions: None			
Resolution result: .all present directors approved.			

2. In instances where a Director's circumvention is due to a conflict of interest, the minutes shall clearly state the Director's name, contents of the motion and resolution thereof, the reason for such circumvention and the voting status:

- 1) On March 30, 2022, when the 4<sup>th</sup> meeting of the 22<sup>st</sup> session of the board of directors discussed the Company's 2021 manager-employee compensation proposal, Chen, Kung-Pin, the managing director and general manager, has his own interest in this case. He withdrew in accordance with the law and participated in the discussion, voting, and did not represent Egawa Manwa to exercise the voting rights.
- 2) At the 4<sup>th</sup> meeting of the 22<sup>st</sup> session of the Board of Directors on March 30, 2022, when the Company's 2021 non-independent directors' remuneration proposal was discussed, non-independent directors Chen, Ching-Fu、Chen, Kung-Pin、Kan, Chin-Yu、Du, Heng-Yi、Syuan Yuan Industrial Co., Ltd. (designated representative Chang, Rong-Jun、Chou, Hai-Kuo、Lai, Chee-Lee、Yeh, Chii-Jau、Chen, Yueh-Feng total 9 persons had their own interests, in this case, they evaded in accordance with the law, did not participate in the discussion and voting, and did not represent Egawa Hirokazu、Egawa Manwa、Lee, Chi-Lungto exercise their voting rights.
- 3) When the 4<sup>th</sup> meeting of the 22<sup>st</sup> session of the Board of Directors on March 30, 2022, discussed the Company's 2021 independent directors' remuneration proposal, the independent directors Liao, Chi-Fang、Chiang, Wen-Chang、Hu, Dong-Huang total 3 persons had their own interests, in this case, they withdrew in accordance with the law, did not participate in the discussion and voting.

3. Assessment of the goals and implementation of strengthening the functions of the board of directors in the current year and the most recent years (such as establishing an audit committee, enhancing information transparency, etc.):

- 1) In order to enhance the functions of the board of directors, the amendment to Article 20 of the "Corporate Governance Best Practice Principles" was approved by the board of directors on May 11, 2022.
- 2) To strengthen the board of directors' understanding and supervision of sustainable development, the "Sustainable Development Best Practice Principles" were revised and the "Sustainable Development Policy, Systems, and





Management Guidelines" and "Risk Management Policy and Procedures" were established, which were approved by the board of directors on August 10, 2022.

3) In order to establish a sound internal mechanism for handling and disclosing significant information, the "Internal Procedures for Handling Significant Information" were formulated and approved by the board of directors on November 11, 2022.

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and Independent Director are corporate organizations.

Note 2: (1) In case any director or supervisor resigns before the end of the year, mark the date of resignation on the remarks and the actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

(2) In case of any director and supervisor reelection before the end of the year, fill in the new and former directors and supervisors in addition to marking the director and supervisor as the new or former term, and date of reelection. The actual attendance rate (%) is calculated by the number of meetings attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

## (2) Assessment of the implementation of the Board of Directors

Assessment Circle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Assessment Measure (Note 4)	Assessment Content (Note 5)
Execute once a year	January 01, 2022 to December 31, 2022	Overall board performance evaluation, functional committee performance evaluation	Internal self-evaluation by the board of directors	<ul style="list-style-type: none"> <li>➤ The overall board performance evaluation includes: participation in the company's operations, improvement of the decision-making quality of the board of directors, board composition and structure, director selection and continuous education, internal control, etc., a total of 45 measurement items. <b>Overall Board Performance Evaluation Results:</b> Excellent</li> <li>➤ The performance evaluation of the audit committee includes: participation in the company's operations, awareness of the responsibilities of the functional committee, improvement of the decision-making quality of the functional committee, the composition of the functional committee and the selection of members, internal control, etc., total of 24 measurement items <b>Overall, the audit committee Evaluation Results:</b> Excellent</li> <li>➤ The performance evaluation of the remuneration committee includes: the degree of participation in the company's operations, the awareness of the responsibilities of the functional committee, the improvement of the decision-making quality of the functional committee, the composition of the functional committee, and the selection of</li> </ul>



Assessment Circle (Note 1)	Assessment Period (Note 2)	Assessment Scope (Note 3)	Assessment Measure (Note 4)	Assessment Content (Note 5)
				members, total of 20 measurement items <b>Overall, the remuneration committee Evaluation Results:</b> Excellent ➤ The performance evaluation results of the above-mentioned overall board of directors, audit committee, and remuneration committee have been reported on the 10 <sup>th</sup> board meeting of the 22 <sup>nd</sup> session of the company on Mar 29, 2023.
Execute once a year	January 01, 2022 to December 31, 2022	Performance evaluation of individual board members	Board member self-evaluation	➤ The performance evaluation of individual directors includes mastery of company goals and tasks, awareness of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuous education, internal control, etc., a total of 20 measurement items. <b>Overall, the individual directors Evaluation Results:</b> Excellent ➤ The performance evaluation results of the above-mentioned individual directors have been recorded in the 10 <sup>th</sup> meeting of the 22 <sup>nd</sup> session of the Board of Directors of the Company on March 29, 2023.

Note1: Fill in the assessment cycle of the board evaluation, such as / Yearly.

Note2: Fill in the assessment period of the board evaluation, such as / Jan 01, 2019, to December 31, 2019.

Note3: The assessment scope of the board evaluation, such as / Board, individual Director, or functional Committees (incl. Audit Committee and Remuneration Committee)

Note4: The assessment measures of the board evaluation, such as / Board internal assessment, Director's self-appraisal, Peer assessment, appoint external professional organizations and experts, or other assessment methods deemed appropriate.

Note5: The assessment measure for the Board shall include the following:

1. Involvement in the Company's operation, quality improvement of the Board's decision-making, the composition and structure of the Board, the assignment and continual education of Directors, and internal control.
2. Self-appraisal measures for the individual Director shall include the following: (1) Control of the corporate goal and mission (2) Cognition of Director's duty. (3) Involvement in the Company's operation (4) Internal relation management and communication (5) The assignment and continual education of Directors (6) Internal control
3. Assessment measure for the functional committees shall include the following: (1) Involvement in the Company's operation (2) Cognition of functional committee's duty (3) Quality improvement of the Board's decision-making (4) The composition and assignment of the functional committee (5) Internal control.



### (3) Information on the Operation of the Audit Committee

#### 1. Authority and Annual Focus of the Audit Committee:

The audit committee of our company consists of three independent directors and holds meetings at least once per quarter. The committee's purpose is to assist the board of directors in fulfilling their oversight responsibilities and exercising the powers stipulated by securities laws, company laws, and other regulations. It also maintains regular communication with the company's external auditors, reviewing their appointment, independence, and performance. Additionally, the internal audit staff of the company periodically submits audit summary reports to the audit committee based on the annual audit plan, and the committee conducts assessments of the company's internal control system, internal audit staff, and their work.

The main responsibilities of the audit committee are as follows:

- (1) Establishing or amending the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
- (2) Assessing the effectiveness of the internal control system.
- (3) Establishing or amending procedures for significant financial transactions involving the acquisition or disposition of assets, derivative transactions, lending of funds to others, endorsing or providing guarantees for others, in accordance with Article 36-1 of the Securities and Exchange Act.
- (4) Matters involving conflicts of interest of directors themselves.
- (5) Significant asset or derivative transactions.
- (6) Significant lending of funds, endorsing, or providing guarantees.
- (7) Fundraising, issuance, or private placement of equity securities.
- (8) Appointment, dismissal, or compensation of external auditors.
- (9) Appointment or dismissal of financial, accounting, or internal audit executives.
- (10) Annual and semi-annual financial reports.
- (11) Other significant matters stipulated by the company or regulatory authorities.

2. The Audit Committee held **four** (A) meetings in 2022. The attendance record of Independent Directors is listed below:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Managing & Independent Director	Liao, Chi-Fang	4	0	100%	Re-elected. The Board held 4 meetings
Independent Director	Chiang, Wen-Chang	4	0	100%	Re-elected. The Board held 4 meetings
Independent Director	Hu, Tung-Huang	4	0	100%	Re-elected. The Board held 4 meetings

Other items to be recorded:

1. In case of any of the following situations in the operation of the audit committee, the audit committee meeting date, period, content of proposals, independent directors' objections, reservations, or content of major proposals, audit committee resolution results, and the company's response to the audit committee shall be stated. Handling of opinions.
  - (1) Matters listed in Article 14-5 of the Securities and Exchange Act:
 

In 2022 and as of the publication date of the annual report, a total of 5 audit committee meetings were held. The content of the resolutions is detailed in Attachment 3-1. Listed items) are agreed to pass as the case.
  - (2) Except for the above-mentioned matters, other resolution matters that have not been approved by the audit committee and approved by more than two-thirds of all directors: None.
2. The names of Independent Directors, the contents of the proposals, the reasons for avoidance of conflicts of interest and the participation of voting shall be clearly recorded if there is any implementation of avoidance of conflicts of interest to any Independent Director:
  - There is no circumvention of interest since the proposals of the audit committee this year have no interest in independent directors.



3. Communications between independent directors, internal audit supervisors, and accountants (should include major events, methods, and results of communications regarding the company's financial and business conditions, etc.).
- (1) The head of internal audit regularly presents audit business reports to the independent directors at audit committee meetings. In case of special circumstances, immediate reports are also provided. Audit reports and follow-up improvement status reports are submitted to the independent directors for review within the statutory time frame, either in writing or via email.
  - (2) The company's external auditors regularly report the results of financial statement audits or reviews, as well as other relevant communication required by laws and regulations, to the independent directors at audit committee meetings. In case of special circumstances, they also report to the audit committee in a timely manner.
  - (3) The communication between the audit committee, the head of internal audit, and the external auditors is summarized in detail in Annex 3-2 and Annex 3-3.

Annex 3-1 Discussion opinions or resolution results of independent directors on the content of the audit committee's proposal

Date & Session of the Audit Committee meeting	Summary of the motion	Results of Audit Committee Resolutions	The company's handling of the audit committee's opinion
3th Meeting of 2nd Board Mar. 24, 2022	<ol style="list-style-type: none"> <li>1. The company's 2021 Internal Control System effectiveness judgment project and evaluation result review case.</li> <li>2. The company's 2021 Internal Control System statement review case.</li> <li>3. The company's 2021 consolidated financial statements, individual financial statements and business reports review case.</li> <li>4. The company's 2021 earnings distribution statement review case.</li> <li>5. The company's 2022 appointment of certified accountants, certified accountants' remuneration and independent assessment and review of accountants.</li> <li>6. The company amended some provisions of the "Procedures for Acquisition or Disposal of Assets".</li> </ol>	After the chairman consulted all the attending members, the content of the proposal was passed unanimously and submitted to the board of directors for resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.
4th Meeting of 2nd Board May. 05, 2022	<ol style="list-style-type: none"> <li>1. Review the proposal for amendments to the Article 20 of the "Corporate Governance Code of Practice".</li> <li>2. The company formulated the "Internal Audit Management Measures" review case.</li> <li>3. Review the case of Hughes Biotechnology Co., Ltd., which the company invested in, handling cash capital increase and issuing new shares.</li> </ol>	After the chairman consulted all the attending members, the content of the proposal was passed unanimously and submitted to the board of directors for resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.
5th Meeting of 2nd Board Aug. 04, 2022	<ol style="list-style-type: none"> <li>1. The company formulated the internal control system review case of "Key Internal Control Operations" and "Internal Audit Procedures and Key Audit Operations" of "Compilation and Verification of Sustainability Report".</li> </ol>	After the chairman consulted all the attending members, the content of the proposal was passed unanimously and submitted to the board of directors for resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.
6th Meeting of 2nd Board Nov. 03, 2022	<ol style="list-style-type: none"> <li>1. The company's "2023 audit work schedule" and "2023 work plan schedule of Audit Department" review case.</li> <li>2. The company revised the "Code of Practice for Sustainable Development" and formulated the review case for "Sustainable Development Policies, Systems and Management Guidelines" and "Risk Management Policies and Procedures".</li> </ol>	After the chairman consulted all the attending members, the content of the proposal was passed unanimously and submitted to the board of directors for resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.



7th Meeting of 2nd Board Mar. 24, 2023	<ol style="list-style-type: none"> <li>1. The company's 2022 Internal Control System effectiveness judgment project and evaluation result review case.</li> <li>2. The company's 2022 Internal Control System statement review case.</li> <li>3. Proposal for amendments to some articles of "Corporate Governance Code of Practice".</li> <li>4. The company's 2022 consolidated financial statements, individual financial statements and business reports review case.</li> <li>5. The company's 2022 earnings distribution statement review case.</li> <li>6. The company's 2023 appointment of certified accountants, certified accountants' remuneration and independent assessment and review of accountants.</li> </ol>	After the chairman consulted all the attending members, the content of the proposal was passed unanimously and submitted to the board of directors for resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.
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## Annex 3-2 Summary of communication between independent directors and Internal Audit Supervisor

Communication Date	Communication Method	Highlights of the Communication	Communication Frequency	Communication Results
Irregular	Email or meet in person	Audit report and follow-up report submission	About 1~2 months period	Execute according to the law
Mar. 24, 2022	3 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	<ol style="list-style-type: none"> <li>1. Report on internal audit implementation and tracking improvement during the period from 2021.11.5 to 2022.03.24.</li> <li>2. Report the effectiveness judgment items and evaluation results of the company's 2021 internal control system.</li> <li>3. Report the company's 2021 internal control system statement.</li> </ol>	season	There is no objection at this meeting
May. 05, 2022	4 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	<ol style="list-style-type: none"> <li>1. Report on internal audit implementation and tracking improvement during the period from 2022.03.25 to 2022.05.05.</li> <li>2. Report the amendments to Article 20 of the company's "Corporate Governance Code of Practice".</li> <li>3. Report the content of the provisions of the "Internal Audit Management Measures" formulated by the company.</li> </ol>	season	There is no objection at this meeting
Aug. 04, 2022	5 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	<ol style="list-style-type: none"> <li>1. Report on internal audit implementation and tracking improvement during the period from 2022.05.06 to 2022.08.04.</li> <li>2. Report The company has formulated the internal control system of the "Key Operations of Internal Control" and "Key Operations of Internal Auditing Procedures and Auditing" of "Compilation and Verification of Sustainability Report".</li> </ol>	season	There is no objection at this meeting



Nov. 03, 2022	6 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	<ol style="list-style-type: none"> <li>1. Report on internal audit implementation and tracking improvement during the period from 2022.08.05 to 2022.11.03.</li> <li>2. Report on the 2023 audit plan.</li> <li>3. The company revised the "Code of Practice for Sustainable Development" and formulated the "Sustainable Development Policies, Systems and Management Guidelines" and "Risk Management Policies and Procedures" to explain the provisions.</li> </ol>	season	There is no objection at this meeting
Mar. 24, 2023	7 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	<ol style="list-style-type: none"> <li>1. Report on internal audit implementation and tracking improvement during the period from 2022.11.04 to 2023.03.24.</li> <li>2. Report the company's 2022 internal control system effectiveness judgment items and evaluation results.</li> <li>3. Report the company's 2022 internal control system statement.</li> <li>4. Report the company' amendment to some provisions of the "Corporate Governance Code of Practice".</li> </ol>	season	There is no objection at this meeting

## Annex 3-3 Summary of communication between independent directors and CPAs

Communication Date	Communication Method	Highlights of the Communication	Communication Frequency	Communication Results
Mar. 21, 2022	Accountant inquiries	Audit results of financial statements for 2021 fiscal year, CPA advice and communicated about corporate governance.	season	Negotiate and have no other comment
Mar. 24, 2022	3 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	Report on the 2021 annual accountant audit report, key audit items, financial report-related matters, the impact of the Covid-19 epidemic, financial report-related matters, and important announcements by the Stock Exchange	year	no other comment
Apr. 06, 2022	Accountant inquiries	Governance issues in the stage of auditing/reviewing the planning stage of the accountant's implementation of We Wong's 2022 financial statements.	year	Negotiate and have no other comment
Aug. 08, 2022	Accountant inquiries	Audit results of financial statements for the second quarter of 2022, CPA advice and communicated about corporate governance.	season	Negotiate and have no other comment
Nov. 10, 2022	Accountant inquiries	Audit results of financial statements for the third quarter of 2022, CPA advice and communicated about corporate governance.	season	Negotiate and have no other comment
Dec. 05, 2022	Accountant inquiries	The accountant was entrusted to check the 2022 consolidated financial statements of We Wong Co., Ltd. and its subsidiaries and the 2022 individual financial statements of the Company during the planning stage.	season	Negotiate and have no other comment



Mar. 21, 2023	Accountant inquiries	Audit results of financial statements for 2022 fiscal year, CPA advice and communicated about corporate governance.	season	Negotiate and have no other comment
Mar. 24, 2023	7 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	A report is provided on the impact of the COVID-19 pandemic, the use of other auditors for audit work, the adoption of management experts, the auditor's report for the 2022 fiscal year, key audit matters, materiality levels, significant disclosures in the financial statements, communication with governance units in the 2022 fiscal year, and information about the audit team.	year	no other comment
Apr. 07, 2022	Accountant inquiries	Governance issues in the stage of auditing/reviewing the planning stage of the accountant's implementation of We Wong's 2023 financial statements.	year	Negotiate and have no other comment

Note 1: Where Independent Directors may be relieved from duties before the end of the fiscal year, please specify their date of discharge in the 'Remarks' Section. Their actual attendance rate (%) to the Audit Committee session shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

Note 2: Where an election may be held for filling the vacancies of Independent Directors before the end of the fiscal year, please list out both the new and the discharged Independent Directors and specify the new, the discharged, and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate(%) of the Audit Committee meetings shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.



**(4) The state of the company's implementation of corporate governance, any discrepancy of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reason for any such discrepancy:**

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
1. Is the company in compliance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and disclosed its own corporate governance best practice principles?	✓		The Company has established its own "corporate governance best practice principles" and disclosed them on MOPS and the Company's website.	The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
2. Equity structure and shareholders' equity of the company?				The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(1) Has the company established internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and lawsuits, and implemented them in accordance with the procedures?	✓		(1) In addition to formulating stock affairs handling procedures, the company also has a spokesperson and a deputy spokesperson to handle shareholder suggestions, doubts, disputes and litigation matters. It implements them in accordance with the procedures to protect shareholders' rights.	
(2) Does the company have a list of major shareholders and ultimate controllers of major shareholders who actually control the company?	✓		(2) The company keeps at any time the list of major shareholders who actually control the company and the final controllers of major shareholders and regularly reports the changes in the shareholdings of directors and managers.	
(3) Has the company established and implemented the risk control and firewall mechanism with related enterprises?	✓		(3) The company and its affiliated companies have established "Procedures for Acquisition or Disposal of Assets," "Operating Procedures for Loaning Funds to Others," and "Operating Procedures for Endorsement Guarantees." They have established relevant controls in accordance with the company's internal control system.	
(4) Does the company have internal regulations that prohibit insiders of the company from buying and selling securities using non-public information?	✓		(4) The company has formulated the operating procedures and control points of the "Ethical Corporate Management Best Practice Principles" and "Management Measures for Prevention of Insider Trading" and implements them in accordance with the operating procedures.	
3. Composition and responsibilities of the board of directors				The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(1) Has the board of directors formulated and implemented diversified policies on the composition of its members?	✓		(1) In accordance with Article 20 of the Company's "Code of Practice on Corporate Governance" and "Methods for Election of Company Directors", the composition of the board of directors should be diversified, and appropriate diversified policies. The members of the board should be set in	





Item	Implementation Status		Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	
			<p>accordance with its own operations, business models, and development needs. It should include but not be limited to the following two standards and management objectives:</p> <p>1. Basic conditions and values: gender, age, nationality, and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills and industry experience, etc. And the board members should be universal possess the necessary knowledge, skills, and literacy to perform duties. The board of directors should have the following knowledge: 1. Operational judgment ability, 2. Accounting and financial ability, 3. Operation management ability, 4. Crisis management ability, 5. Industry knowledge, 6. International market outlook, 7. Leadership ability, 8. Decision-making ability. The 22<sup>nd</sup> directors of the Company are all 15 members (there are 1 female and 14 male members, and the age distribution of the 22<sup>nd</sup> directors: 6 persons are 61-70 years old, accounting for 40.00%, and 9 are over 71 years old, accounting for 60%)., two of the directors live in Japan. There are multicultural and full of the knowledge necessary to perform their duties. Skills and literacy (attached table 4- 1).</p>
(2) In addition to setting up a compensation committee and an audit committee according to law, has the company voluntarily set up other functional committees?	✓		(2) In addition to the establishment of the Business Decision-making Committee, the Remuneration Committee, and the Audit Committee in accordance with the law, the company also established the cross-departmental Corporate Social Responsibility Execution Committee to be responsible for the formulation and promotion of corporate social responsibility. In the future, other functional committees will be set up according to the assessment of the legal environment, company operation, and management needs.
(3) Has the company established performance evaluation measures and methods for the board of directors, conducted performance evaluation annually and regularly, reported performance evaluation results to the board of directors, and applied them to the reference of salary and remuneration of	✓		(3) The company's board of directors resolved to approve the "Board Performance Evaluation Method" in May 2020, and the evaluation method was approved in March 2023. The board of directors had reported the results of the performance evaluation on file.



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
individual directors and nomination and renewal?  (4) Does the company regularly evaluate the independence of the independent auditor?	✓		(4) The Company evaluates the independence of its independent auditors based on the independence evaluation items every year and submits the results to the Audit Committee and the board meeting for approval. 1. The Company's independent auditors provide the company's "Accountant's Independence Statement" every year. 2. In addition, the rotation of the company's independent auditors is also handled in compliance with relevant regulations.	
4. Is the listed or OTC company equipped with the competent and appropriate number of corporate governance personnel, and has it designated the corporate governance director to be responsible for corporate governance-related matters (including but not limited to providing information required by directors and audit committees to carry out business, assisting directors and audit committees in complying with laws and regulations, managing related matters of the board of directors' meeting and shareholders' meeting in accordance with laws, taking minutes of the board of directors' meeting and shareholders' meeting, etc.)?	✓		The Company's governance is supervised, authorized, managed, and executed by the heads of various departments. The Management Department of the company and outsourced stock affairs agency provide directors with the necessary information to perform business, handle company registration, change registration, shareholder affairs, and shareholders' meeting-related matters, and assist in the development and legal compliance of the operating company. The Secretary's Office is responsible for handling matters related to the board meeting and various committees and preparing meeting minutes; the company's Audit Office is responsible for supervising corporate governance-related matters.  In addition, in the year 2021, the Supervisor of corporate governance has appointed in accordance with the legal procedures. The main responsibilities are to handle matters related to the board of directors and the shareholders' meeting in accordance with the law, to provide directors with the information needed to perform their business, to collect the latest legal developments related to operating companies to assist directors in compliance. To assist directors in appointment and continuing education, etc. The training hours and courses of the corporate governance supervisor are implemented in accordance with laws and regulations and are disclosed in the public information observatory.	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles.
5. Has the company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder area on the company's	✓		The Company has established a spokesperson system and has a dedicated area on the company's website for stakeholders. Through telephone and e-mail and other information delivery methods, the company always maintains smooth communication channels	The operating conditions listed on the left are in compliance with the provisions of the Corporate Governance Best



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
website, and properly respond to major corporate social responsibility issues of concern to stakeholders?			with stakeholders. In addition, relevant issues are designed into questionnaires every two years, and stakeholders such as suppliers, distributors, media/online communities, consumers, etc. of the Company are invited to consider the scores and summarize the identification and identification of the importance of each aspect. and ranking, and assess the issues that stakeholders are currently most important and concerned about by the Company. In this way, we can collect the issues that the stakeholders are concerned about, and check whether the various activities implemented by the company respond to the stakeholders. Therefore, the relevant stakeholders' concerns and communication methods are as shown in (Attached Table 4-2), and please also refer to the chapter "Identification and Communication of Stakeholders and Concerned Issues" in the company's corporate social responsibility report.	Practice Principles.
6. Has the company appointed a professional agency to handle the affairs of the shareholders' meeting?	✓		The Company has appointed a professional stock affairs agency (Capital Securities Co., Ltd.) to handle the shareholders' meeting's relevant affairs and various stock affairs.	The operating conditions listed on the left comply with the provisions of the corporate governance best practice principles.
7. Information Disclosure (1) Has the company set up a website to disclose financial and corporate governance information?	✓		(1) The company has set up a website (website: www.vewong.com) and regularly updates and discloses financial business and corporate governance information in the "Financial Report" and "Corporate Governance Overview" under the "Corporate Information" item of the website.	The operating conditions in columns (1) and (2) on the left comply with the requirements of the Corporate Governance Best Practice Principles.
(2) Does the company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person to be responsible for the collection and disclosure of the company's information, implementing the spokesperson system, and placing on the company's website the process of the seminar for institutional investors)?	✓		(2) The company appoints a dedicated person to be responsible for collecting and disclosing company information, updating the company website at any time, and disclosing relevant information on the MOPS in accordance with the law. 1. The company has a spokesperson and deputy spokespersons in accordance with regulations to implement the spokesperson system. 2. The briefing data and audio-visual information for the corporate briefings, which the company annually organizes and participates in, have been announced on the MOPS and the company's website for review by the public.	
(3) Does the company announce and declare the annual financial		✓	(3) The company completes the announcement and declaration after the board meeting	The operating conditions in column



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
report within two months after the end of the fiscal year, and announce and declare the first, second, and third-quarter financial report and each month's operation ahead of the required time limit?			passes the financial report. According to the law, the company makes the announcement and declaration within three months after the end of each fiscal year and within 45 days after the end of the first, second, and third quarters of each fiscal year; the revenue each month will be completed before the 10th of the following month according to regulations. That is, the company follows the laws and regulations in accordance with the schedule of obtaining the financial reports of overseas subsidiaries.	(3) on the left are implemented in accordance with laws and regulations
8. Whether the company has other important information to help understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of stakeholders, the status of directors' and supervisors' further education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance policy for directors and supervisors, etc.)?	✓		<p>The company issues a corporate social responsibility (CSR) report to disclose the corporate governance operation and non-financial information to the public.</p> <p>(1) Employee rights and employee care: In addition to establishing an employee welfare committee and implementing a pension system according to laws and regulations, the company has a labor union that regularly arranges employee health checks and handles various employee training courses. At the same time, it provides multiple communication channels to enhance labor relations and protect employee rights.</p> <p>(2) Investor relations and rights of stakeholder: The company is required by laws and regulations to honestly announce relevant significant financial, business and company information on the MOPS to protect the rights and interests of investors and fulfill the company's responsibilities to shareholders. If you want to understand the company's business growth history and products and other related information, there is a website set up by the company for viewing; you may also maintain communication with shareholders and stakeholders at any time through telephone and e-mail and other information transmission methods based on the information in the stakeholder area.</p> <p>(3) Supplier relationship: The company has established the "Procurement Management Measures," "Measures for Management of Related Party Transactions," and other rules for operation and implementation. Regarding the quality of the raw materials supplied, the company has established quality standards and established good partnerships with suppliers.</p>	The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles, and there is no major difference.



Item	Implementation Status		Summary	Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No		
	✓		(4) The situation of directors' advanced training: The company actively arranges directors' further training, discloses information on the further training of directors on the MOPS and the company's website (Schedule 4-3), and encourages them to participate in other related courses.	
	✓		(5) Implementation of risk management policies and risk measurement standards: The company has established a decision-making authority system in its operation and management. Clearly, it regulates the execution of responsibilities at all levels in order to minimize the probability of risk occurrence. The company's necessary management regulations are all resolved by the board meeting or the shareholders' meeting. The company's major operational policies, investment cases, endorsement guarantees, capital loans, bank financing, and other major proposals have been evaluated and analyzed by the appropriate authority and responsibility departments and implemented in accordance with the resolutions of the board of directors. The audit office also draws up its annual audit plan based on the risk assessment results. Really implement; to implement the supervision mechanism and control the implementation of various risk management. And on November 11, 2022, the 7th meeting of the 22nd Board of Directors approved the "Risk Management Policies and Procedures" for implementation, and the implementation status was regularly reported to the Board of Directors once a year.	
	✓		(6) Implementation of customer policies: The company adheres to the concept of customer first, delicious, and healthy, and quality first to manage a wide range of customers and consumers. To serve the majority of consumers and investors, we have set up a toll-free service line 0800-221121 and the webmaster@vewong.com.tw mailbox to provide consumers or customers with a smooth communication channel.	
	✓		(7) Circumstances in which the company purchases liability insurance for directors: The company has insured liability insurance for all directors and submitted a report to the 6th meeting of the 22nd Board of Directors in August 2022.	



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
9. Please explain the improvement of the corporate governance evaluation results according to the finding issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation for the latest year and put forward the priorities and measures for those that have not been improved. Based on the results of the “Corporate Governance Evaluation” in 2022, the company will prioritize improvements for the following unscored items as explained below: (1) Disclose the frequency of communication between independent directors, internal audit executives, and accountants on an annual basis (2) Summarize the annual work priorities of the Audit Committee (3) Disclose the frequency of communication through meetings and discussions between independent directors, internal audit executives, and accountants, excluding regular directors and management level personnel. (4) The company will continue to evaluate the feasibility of future improvements for the parts that have not yet been scored.				

Note 1: Regardless of whether the operation status is checked “Yes” or “No,” it should be stated in the summary description column.

Table 4-1--Diversification of individual directors in 2022

Diversification Projects Name of Directors	Country of Citizenship	Gender	Operation Judgment	Accounting and financial analysis	Operating Management	Crisis Management	Industry Knowledge	International Market view	Leadership	Decision Making
Chen, Ching-Fu	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Kung-Pin	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Kan, Chin-Yu	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Egawa Manwa (Note1)	Japan	Male	✓	✓	✓	✓	✓	✓	✓	✓
Egawa Hirokazu (Note1)	Japan	Male	✓	✓	✓	✓	✓	✓	✓	✓
Du, Heng-Yi	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Syuan Yuan Industrial Co., Ltd./ Representative: Chang, Rong-Jun (Inaugurated on August 10, 2021)	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chou, Hai-Kuo	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Yeh, Chii-Jau	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Lai, Chee-Lee	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Lee, Chi-Lung	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Yueh-Feng (Note 2)	R.O.C.	Female	✓	✓	✓	✓	-	✓	✓	✓
Liao, Chi-Fang	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Chiang, Wen-Chang	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓
Hu, Tung-Huang (Appointed on July 14, 2021)	R.O.C.	Male	✓	✓	✓	✓	✓	✓	✓	✓

The age distribution of directors is 61-70 years old, 6 persons account for 40%, and 9 people over 71 years old account for 60%.  
Note1: Director living in Japan, with Japanese nationality and culture.  
Note2: The company's board of directors includes a female director.



**Table 4-2** Stakeholders are concerned about substantive issues, communication channels and frequency, and the company's response unit list

Stakeholder	Concerned about substantive issues	Communication frequency, channel, and method	Response unit
Shareholders/ Board of Directors	<ul style="list-style-type: none"> <li>■ Compliance</li> <li>■ Operation performance</li> <li>■ Sustainable development strategy</li> <li>■ Risk control</li> <li>■ Corporate Governance and Anti-Corruption</li> </ul>	Annual general meeting of shareholders and irregular corporate briefings Quarterly Board of Directors Announce important information in accordance with the regulations of the competent authority Regular announcement of financial statements/annual reports/CSR reports Information disclosure on the company's official website (irregular) Stock agency (irregular) Investor Services Internal Contact Window of the Company (irregular) Speaker system (irregular)	Spokesman Management Department Secretary room
Employees/ Unions	<ul style="list-style-type: none"> <li>■ Occupational Safety and Health</li> <li>■ Labor Relations</li> <li>■ HR strategy</li> <li>■ Recourse Mechanism</li> </ul>	Quarterly labor-management meetings, trade union supervisory meetings, safety, and health committee Annual trade union member congress Stakeholders' area on the company's official website (irregular) Occasionally internal bulletin boards, intranet sites, e-mails Quarterly or irregular employee welfare committee	Personnel Department
Consumer	<ul style="list-style-type: none"> <li>■ Customer Health and Safety</li> <li>■ Product Traceability Management</li> <li>■ Recourse Mechanism</li> <li>■ Product Innovation and Service</li> <li>■ Privacy Protection</li> </ul>	Stakeholders' area on the company's official website (irregular) Little Prince Living House (FB), Company LINE Customer Service (Ve Wong CS) (irregular) 0800 Toll-free line and mailbox (irregular) Regularly publish CSR reports Irregular annual satisfaction survey, irregular face-to-face sales in stores	Business Unit/ Quality Control Department/ Fengtian Plant/ Marketing Department
Community and sponsors	<ul style="list-style-type: none"> <li>■ Community relations</li> <li>■ Wastewater and waste</li> <li>■ Greenhouse Gas and Energy Management</li> <li>■ Recourse Mechanism</li> </ul>	Complaint Mechanism of Public Complaint Form (irregular) Irregular visits to community activities or material sponsorship Regularly publish CSR reports	Related units of Fengtian Plant, Marketing Department, and Business Department
Supplier	<ul style="list-style-type: none"> <li>■ Procurement practice</li> <li>■ Supply chain management</li> <li>■ Recourse Mechanism</li> <li>■ Product Traceability Management</li> </ul>	Stakeholders' area on the company's official website (irregular) Irregular visit to the factory for evaluation, telephone, and email communication Telephone number and mailbox for reporting violations of integrity management practices	Management Department
Distributors and commissioned OEMs	<ul style="list-style-type: none"> <li>■ Product Innovation and Service</li> <li>■ Product Traceability Management</li> <li>■ Customer Health and Safety</li> </ul>	Annual satisfaction survey from time to time Face-to-face sales by sales staff from time to time Stakeholders' area on the company's official website (irregular)	Business Unit/ Quality Control Department/ Fengtian Plant/ Marketing Department



Stakeholder	Concerned about substantive issues	Communication frequency, channel, and method	Response unit
Government	<ul style="list-style-type: none"> <li>■ Compliance</li> <li>■ Marketing and Labeling</li> <li>■ Customer Health and Safety</li> <li>■ Occupational Safety and Health</li> <li>■ Wastewater and waste</li> <li>■ Greenhouse Gas and Energy Management</li> <li>■ Water Resource Management</li> </ul>	Irregular decree publicity meeting, official letter round trip Unscheduled business interviews, telephone communications Unscheduled legal inspection Announce important information in accordance with the regulations of the competent authority Regular announcement of financial statements/annual reports/CSR reports	Personnel/ Purchase/ Finance/ Produce/ Marketing and Sales Department
Media and Online Community	<ul style="list-style-type: none"> <li>■ Compliance</li> <li>■ Corporate Governance and Anti-Corruption</li> <li>■ Customer Health and Safety</li> <li>■ Product Innovation and Service</li> </ul>	Spokesman system (irregular) The Little Prince Living House (FB) Occasional text messages or phone calls	Spokesman Secretary room
Financial Institutions	<ul style="list-style-type: none"> <li>■ Operation performance</li> <li>■ Corporate Governance and Anti-Corruption</li> <li>■ Compliance</li> </ul>	Stakeholder Zone on the company's official website (irregularly) Regular announcement of financial statements/annual reports	Finance Department

Table 4-3 The 2021 continued advanced program of Directors is as follows:

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Training Hours
			From	To			
Independent Director	Chiang, Wen-Chang	2021/07/14	2022/10/11	2022/10/11	Taiwan Stock Exchange Co., Ltd.	2022 Listed Company Independent Directors and Audit Committees Exercising Reference Guidelines Release and Publicity Meeting	3
Managing Director	Kan, Chin-Yu	2021/07/14	2022/07/29	2022/07/29	Chinese Society for Quality, CSQ	ESG business owner/sustainable manager/CXO class	6
			2022/09/29	2022/09/29	Taiwan Stock Exchange Co., Ltd.	2022 Listed Company Independent Directors and Audit Committees Exercising Reference Guidelines Release and Publicity Meeting	
Director	Yeh, Chii-Jau	2021/07/14	2022/10/11	2022/10/11	Taiwan Stock Exchange Co., Ltd.	2022 Listed Company Independent Directors and Audit Committees Exercising Reference Guidelines Release and Publicity Meeting	3
Director	Lai, Chee-Lee	2021/07/14	2022/09/29	2022/09/29	Taiwan Stock Exchange Co., Ltd.	2022 Listed Company Independent Directors and Audit Committees Exercising Reference Guidelines Release and Publicity Meeting	3





## (5) Establishment, functions, and operations of the Remuneration Committee:

### 1. Members profile of the Remuneration Committee

ID (Note1)	Requirements	Professional Qualifications and Experience	Independence criteria	Number of other public companies where the person holds the title as Remuneration Committee member
	Name			
Independent Director Convener	Liao, Chi-Fang	Please refer to pages 21~24 (2) Information of directors 1. Disclosure of information on the professional qualifications of directors and the independence of independent directors		N/A
Other	Chen, Chi-Chang	<ul style="list-style-type: none"> <li>• Have more than five years of work experience.</li> <li>• Qualified as a lawyer and currently a practicing lawyer.</li> </ul>	<ul style="list-style-type: none"> <li>• None of the provisions of Article 30 of the Company Act apply.</li> <li>• Does not have a spouse or family relationship within the second degree of kinship with other directors</li> <li>• No government, legal person or its representative be elected stipulates by Article 27 of the Company Act.</li> <li>• None of the incidents stipulated in Article 3, Paragraph 1 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" have occurred.</li> <li>• Meet the qualifications of independent directors in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".</li> </ul>	2
Independent Director	Hu, Tung-Huang	Please refer to pages 21~24 (2) Information of directors 1. Disclosure of information on the professional qualifications of directors and the independence of independent directors		N/A

### 2. Operations of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members.  
(2) Current term of office: August 13, 2021~July 13, 2024. The Committee held **2 (A)** meetings in the 2022 and the attendance of the Committee members is summarized as follows:

Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Liao, Chi-Fang	2	0	100%	Re-elected on August 13, 2021.
Member	Chen Chi-Chang	2	0	100%	Re-elected on August 13, 2021.
Member	Hu, Tung-Huang	2	0	100%	New term \ elected on August 13, 2021.

#### Other Notes:

1. If the Board of Directors does not adopt, or amend, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (If the remuneration ratified by the Board of Directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): N/A
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members, and the Company's handling of the said opinions: N/A

Note 1. Where a Remuneration committee member may be relieved from duties before the end of the fiscal year, please specify their Resignation date in the 'Remarks' Section. Their actual attendance rate (%) to the Remuneration committee session shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.



2. Where an election may be held for filling the vacancies of Remuneration committee's members before the end of the fiscal year, please list out both the new and the discharged Remuneration committee's members and specify the new, the discharged, and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate(%) of the Remuneration Committee's meetings shall be calculated on the basis of the number of meetings called and the actual number of sessions he/she attended, during his/her term of office.

**(6) Performance of Sustainable Development and differences from the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:**

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
1. Has the company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote corporate social responsibility, authorized by the board of directors to be handled by the senior management and reported to the board of directors?	✓		<p>(1) In order to implement the implementation and management of affairs related to sustainable development, in 2016, the company established the "Corporate Social Responsibility Executive Committee" set up by the company's interdepartmental (including the Finance Department, Management Department, Marketing Department, Factory, Personnel, Quality Control, etc. 11 units). "Organization, which will be renamed "Sustainability Executive Committee" in 2022. The general manager serves as the chairman of the committee, and the two associates serve as deputy directors. Each department selects appropriate functional supervisors and employees, Every year, relevant persons in charge are convened to review the issues of concern to stakeholders, formulate risk management systems and implementation guidelines, and refer to them. The internationally accepted report preparation standards (GRI Standards) are used to prepare sustainable development reports and report the handling situation to the board of directors once a year. The report for 2021 was reported to the board of directors of the company on November 11, 2022.</p> <p>(2) Policies, management principles, and goals related to sustainable development in the company, as well as measures for review and board oversight:</p> <p>1) The company engages in the food production, manufacturing, sales, and import/export trading business, with its main products falling into four categories: monosodium glutamate, instant noodles, soy sauce, and convenience food. Amidst a rapidly changing environment, the company adheres to the policy of "Delicious and Healthy, with Quality as the Top Priority" and operates with the spirit of "Taking from Society and Giving Back to Society" to protect consumer rights.</p> <p>2) Management principles for sustainable development: (1) Strengthening corporate governance, (2) Stakeholder communication, (3) Procurement policies and principles, (4)</p>	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons													
	yes	no	Summary explanation														
			Environmental preservation and management 3) The establishment of the "Sustainable Development Committee" aims to promote sustainable business operations, create a sustainable development environment, engage in transparent information disclosure, and communicate with stakeholders. The committee continuously improves corporate governance and operational activities to address economic, environmental, and social risks and impacts. The committee reports to the board of directors on a regular annual basis.														
2. Does the company conduct risk assessment on environmental, social, and corporate governance issues related to the company's operation in accordance with the principle of materiality and formulate relevant risk management policies or strategies? (Note 2)	✓		(1) The company conducts risk assessments related to environmental, social, and corporate governance issues that are significant to its operations (with the assessment boundary primarily focused on the company, including the subsidiaries both domestically and internationally). Based on these assessments, the company formulates relevant risk management policies or strategies as follows: Risk Management Policy: Risk management is a management process that involves identifying actual or potential issues and taking appropriate measures in response to events that may have an impact on the company's operations.	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.													
			<table border="1"> <thead> <tr> <th>Major Issues</th> <th>Risk Assessment Items</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td rowspan="3">environmental risk</td> <td>Regulations</td> <td> <ul style="list-style-type: none"> <li>■Build and switch to lower-polluting energy equipment.</li> <li>■Reduced energy resource use produces a low greenhouse gas effect.</li> <li>■Promote energy saving and carbon reduction</li> </ul> </td> </tr> <tr> <td>Climate Disaster</td> <td> <ul style="list-style-type: none"> <li>■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses</li> <li>■An energy-saving and carbon reduction plan is proposed every year as a basis for implementation</li> </ul> </td> </tr> <tr> <td>Company Image</td> <td> <ul style="list-style-type: none"> <li>■Research on low-carbon production and green manufacturing</li> <li>■Meet stakeholders' requirements for energy conservation, increase revenue, and invest in the development of energy-saving product packaging materials</li> </ul> </td> </tr> <tr> <td>Society</td> <td>Occupational Safety</td> <td> <ul style="list-style-type: none"> <li>■Strengthen the inspection of the factory area, and immediately notify the relevant units to improve if the hardware facilities are found to be missing.</li> <li>■Regular personnel education and training, feedback, new personnel education, and training, publicize</li> </ul> </td> </tr> </tbody> </table>	Major Issues	Risk Assessment Items	Description	environmental risk	Regulations	<ul style="list-style-type: none"> <li>■Build and switch to lower-polluting energy equipment.</li> <li>■Reduced energy resource use produces a low greenhouse gas effect.</li> <li>■Promote energy saving and carbon reduction</li> </ul>	Climate Disaster	<ul style="list-style-type: none"> <li>■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses</li> <li>■An energy-saving and carbon reduction plan is proposed every year as a basis for implementation</li> </ul>	Company Image	<ul style="list-style-type: none"> <li>■Research on low-carbon production and green manufacturing</li> <li>■Meet stakeholders' requirements for energy conservation, increase revenue, and invest in the development of energy-saving product packaging materials</li> </ul>	Society	Occupational Safety	<ul style="list-style-type: none"> <li>■Strengthen the inspection of the factory area, and immediately notify the relevant units to improve if the hardware facilities are found to be missing.</li> <li>■Regular personnel education and training, feedback, new personnel education, and training, publicize</li> </ul>	
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Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
			<p>the company's occupational safety and health policy.</p> <ul style="list-style-type: none"> <li>■ Before entering the factory for construction, hold an agreement organization meeting, implement hazard notification and publicize the company's occupational safety and health policy</li> <li>■ Sign the "Contractor' s Work Safety Specification Agreement" with the contractor as the safety and hygiene guidelines during construction.</li> </ul>	
			<p>Product Safety</p> <ul style="list-style-type: none"> <li>■ Products are designed to ensure quality, safety, taste, and health.</li> <li>■ Product safety assessment, specification formulation, and monitoring</li> <li>■ Product labels comply with relevant laws and regulations</li> <li>■ Food Manufacturing and Monitoring</li> <li>■ Set up laboratory analysis and testing to ensure product hygiene, safety, and quality</li> <li>■ Product traceability and tracking management</li> <li>■ Product inspection control and third-party verification</li> <li>■ Environmental hygiene and quality management of manufacturing sites</li> </ul>	
			<p>Labor Relations</p> <ul style="list-style-type: none"> <li>■ Follow the laws to protect the rights and interests of employees</li> <li>■ Properly plan talent training programs</li> <li>■ Emphasis on employee welfare and workplace safety</li> <li>■ Cultivate diverse talents</li> <li>■ Recruiting the right talent through multiple channels</li> </ul>	
			<p>Corporate Governance</p> <p>Internal Control and Legal Compliance</p> <p>The implementation of internal control is a continuous operation. Through continuous inspection of various operations and management operations, the facts that deviate from the company's policies, operating procedures, established goals or expected standards are found, and the feedback system is used to reflect it to the appropriate management level. And take necessary corrective actions to ensure that the operation of the enterprise follows the direction of the original plan and actually abides by the relevant laws and regulations.</p>	
			<p>Fraud Prevention</p> <p>To achieve the purpose of collusion by means of internal containment, to effectively control risks and prevent the occurrence of operational malpractices.</p>	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons				
	yes	no	Summary explanation					
			<table border="1"> <tr> <td>Strengthen the Functions of Directors</td> <td> <ul style="list-style-type: none"> <li>■ In order to enable directors to understand their legal responsibilities, plan relevant training topics for directors, and provide directors with the latest regulations, system development and policies every year.</li> <li>■ Insure directors' liability insurance for directors, when directors have fulfilled their duties as good managers to perform business and protect their litigation or compensation.</li> </ul> </td> </tr> <tr> <td>Stakeholder Communication</td> <td> <ul style="list-style-type: none"> <li>■ Analyze key stakeholders and key issues of concern every two years.</li> <li>■ Establish various communication channels, actively communicate, and reduce confrontation and misunderstanding. Set up investor mailboxes, which will be handled and responded to by spokespersons or relevant units.</li> </ul> </td> </tr> </table>	Strengthen the Functions of Directors	<ul style="list-style-type: none"> <li>■ In order to enable directors to understand their legal responsibilities, plan relevant training topics for directors, and provide directors with the latest regulations, system development and policies every year.</li> <li>■ Insure directors' liability insurance for directors, when directors have fulfilled their duties as good managers to perform business and protect their litigation or compensation.</li> </ul>	Stakeholder Communication	<ul style="list-style-type: none"> <li>■ Analyze key stakeholders and key issues of concern every two years.</li> <li>■ Establish various communication channels, actively communicate, and reduce confrontation and misunderstanding. Set up investor mailboxes, which will be handled and responded to by spokespersons or relevant units.</li> </ul>	
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Stakeholder Communication	<ul style="list-style-type: none"> <li>■ Analyze key stakeholders and key issues of concern every two years.</li> <li>■ Establish various communication channels, actively communicate, and reduce confrontation and misunderstanding. Set up investor mailboxes, which will be handled and responded to by spokespersons or relevant units.</li> </ul>							
<p>3.Environmental issues</p> <p>(1) Has the company established an appropriate environmental management system according to its industrial characteristics?</p> <p>(2) Is the company committed to improving resource utilization efficiency and using recycled materials with low impact on the environment?</p> <p>(3) Does the company assess the potential risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>(1) In accordance with the food manufacturing industry regulations, the company has formulated operation management procedures for environmental management of air pollution, water pollution, and waste related to the environment to implement pollution control and prevention.</p> <p>(2) The company continues to implement specific resource utilization efficiency measures, such as using recycled and recyclable packaging materials, to reduce environmental impact. Through long-term progressive actions, the company strives to protect the environment and provide consumers with lower-carbon and environmentally friendly product choices. Among these efforts, (1) the proportion of recycled paper material in the purchased packaging materials is 94.39%, (2) the intensity of electricity consumption is 3.796 kWh per million dollars, a decrease of 0.26% compared to the previous year, (3) the intensity of fuel consumption is 0.599 liters per million dollars, a decrease of 46.23% compared to the previous year, and (4) the total energy savings amount to 87.707 metric tons of CO<sub>2</sub>e.</p> <p>(3) The company regularly reviews information on the impact of climate change on operating activities, continuously monitors direct and indirect greenhouse gas emissions, and implements its energy-saving and carbon reduction and greenhouse gas reduction strategies. However, as this issue's effectiveness is not significant, it is still seriously under review and responded to.</p>	<p>The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.</p>				



Evaluation items	Operation status (Note 1)		Summary explanation	Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons																								
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<p>(4) Does the company prepare statistics of greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?</p>	✓		<table border="1"> <thead> <tr> <th colspan="4">Climate Change Risk Assessment</th> </tr> <tr> <th>Assessment Area</th> <th>Related Issues</th> <th>Positive Impacts</th> <th>Response Strategies:</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Regulatory Compliance</td> <td>Competent authorities enter the factory to check carbon emissions, waste water, etc.</td> <td> <ul style="list-style-type: none"> <li>■ Limited capacity expansion and increased operating costs;</li> </ul> </td> <td rowspan="2"> <ul style="list-style-type: none"> <li>■ Establish and transition to the use of lower-pollution energy equipment.</li> <li>■ Reduce greenhouse gas emissions generated from energy resource usage.</li> <li>■ Conduct energy-saving and carbon reduction advocacy.</li> </ul> </td> </tr> <tr> <td>Environmental Protection Declaration and inspection of pollution sources related to environmental protection</td> <td> <ul style="list-style-type: none"> <li>■ Increased costs of installing and operating carbon reduction equipment</li> </ul> </td> </tr> <tr> <td>Climate Disasters</td> <td>Typhoons, floods, droughts, global temperature rise, etc. - 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			<p>up eye-catching slogans such as saving water and turning off lights at will", actively planning waste recycling programs, implementing waste sorting to improve resource recycling.</p> <p>(5) Based on the disclosed performance in our company's sustainability report on September 26, 2022 (with the scope mainly focusing on the headquarters and Toyota factory), the details are as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2021</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Scope 1 Total Emissions</td> <td>7,168.948 metric tons CO<sub>2</sub>e/year</td> <td>8,639.559 metric tons CO<sub>2</sub>e/year</td> </tr> <tr> <td>Scope 2 Total Emissions</td> <td>4,233.841 metric tons CO<sub>2</sub>e/year</td> <td>4,362.109 metric tons CO<sub>2</sub>e/year</td> </tr> <tr> <td>Total Greenhouse Gas Emissions</td> <td>11,408.789 metric tons CO<sub>2</sub>e/year</td> <td>13,001.668 metric tons CO<sub>2</sub>e/year</td> </tr> <tr> <td>Greenhouse Gas Intensity</td> <td>5.132 metric tons/NT\$ million</td> <td>5.774 metric tons/NT\$ million</td> </tr> <tr> <td>Water Consumption</td> <td>325.390 million liters</td> <td>365.666 million liters</td> </tr> <tr> <td>Non-Hazardous Waste</td> <td>974.6 metric tons</td> <td>1,216.7 metric tons</td> </tr> <tr> <td>Hazardous Waste</td> <td>3.2 metric tons</td> <td>0 metric tons</td> </tr> <tr> <td>Waste Generation Intensity</td> <td>0.44 metric tons/NT\$ million</td> <td>0.54 metric tons/NT\$ million</td> </tr> </tbody> </table>	Item	2021	2020	Scope 1 Total Emissions	7,168.948 metric tons CO <sub>2</sub> e/year	8,639.559 metric tons CO <sub>2</sub> e/year	Scope 2 Total Emissions	4,233.841 metric tons CO <sub>2</sub> e/year	4,362.109 metric tons CO <sub>2</sub> e/year	Total Greenhouse Gas Emissions	11,408.789 metric tons CO <sub>2</sub> e/year	13,001.668 metric tons CO <sub>2</sub> e/year	Greenhouse Gas Intensity	5.132 metric tons/NT\$ million	5.774 metric tons/NT\$ million	Water Consumption	325.390 million liters	365.666 million liters	Non-Hazardous Waste	974.6 metric tons	1,216.7 metric tons	Hazardous Waste	3.2 metric tons	0 metric tons	Waste Generation Intensity	0.44 metric tons/NT\$ million	0.54 metric tons/NT\$ million	
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<p>4. Social issues</p> <p>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?</p> <p>(2) Has the company established and implemented reasonable employee welfare measures (including compensation, vacation, and other benefits) and properly reflected the operating performance or results in employee compensation?</p>	<p>✓</p> <p>✓</p>	<p>(1)The company complies with the Labor Standards Act, the Act of Gender Equality in Employment, and labor safety and health-relevant laws and regulations and formulated various measures such as "Employee Work Rules" and their operation management procedures. At the same time, it implements a pension system, and the employee welfare committee handles various employee welfare. The company has also established a labor union to coordinate labor relations to protect employees' legitimate rights and interests and the employment policy without discrimination.</p> <p>(2) The company formulates and implements reasonable employee welfare measures (including remuneration, vacation, and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration. According to the disclosed performance in our company's sustainability report on September 26, 2022 (with the scope mainly focusing on the headquarters and Toyota factory), the following information regarding employee compensation, workplace diversity, and equality is detailed as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2021</th> <th>2021</th> </tr> </thead> <tbody> <tr> <td>Percentage of Female Employees</td> <td>50.3%</td> <td>50.6%</td> </tr> <tr> <td>Percentage of Female Managers</td> <td>8.6%</td> <td>8.6%</td> </tr> <tr> <td>Average Starting Salary for New Hires</td> <td>1.2 times</td> <td>1.2 times</td> </tr> </tbody> </table>	Item	2021	2021	Percentage of Female Employees	50.3%	50.6%	Percentage of Female Managers	8.6%	8.6%	Average Starting Salary for New Hires	1.2 times	1.2 times	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.																
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Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
(3) Does the company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	✓		<p>The company's articles of association stipulate the distribution of employee remuneration. If the company generates profits in a fiscal year, 2% of the profits should be allocated as employee compensation. In fiscal year 2021, the distributed amount for employee compensation was NTD 10,947 million.</p> <p>The company has established a retirement policy in accordance with the Labor Standards Act, which provides retirement benefits superior to those stipulated by the Act. It is a defined benefit retirement plan where the company contributes 15% of the total salary amount on a monthly basis to a retirement fund held in trust at the Taiwan Bank. The "Labor Pension Act" came into effect on July 1, 2005, which allows employees to choose whether to continue applying the retirement pension provisions under the "Labor Standards Act" or to adopt the retirement pension system under the Act. The employees who choose the old system are processed according to the aforementioned retirement benefit plan, while those who choose the new system have retirement contributions of 6% of their monthly wages deducted by the company and remitted to the "Labor Insurance Bureau" into the individual retirement account. Employees also have the option to make additional contributions to their personal retirement accounts within the range of 6% of their monthly wages. In fiscal year 2021, a total of NTD 40,953 million was paid out for the old system retirement, and the balance of the labor retirement reserve account at the end of fiscal year 2021 was approximately NTD 399,715 million. According to the estimated liability for defined benefits in the actuarial report, it is deemed sufficient to pay retirement benefits to eligible individuals. As for the new system retirement, contributions of NTD 14,165 million were remitted.</p>	
			<p>(3) The company is engaged in food manufacturing and processing. In order to establish a healthy and safe working environment, the company involve all personnel in safety and health management activities through review, audit, communication, and education and training. The company take appropriate corrective and preventive measures and strive for continuous improvement to meet legal requirements. The goal is to achieve "zero work-related injuries and accidents" and create an excellent workplace environment, thereby establishing a positive corporate image. To build an occupational safety and health management system, the company re-applied for verification in December 2020 and obtained ISO 45001:2018</p>	





Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
(4) Has the company established an effective career development training program for its employees?	✓		<p>certification. To ensure employee safety, the company have implemented access control measures and maintain security guards and a security company to safeguard the workplace during nights and holidays. Both the headquarters and the factory are covered by public liability insurance, and regular safety and health education is provided to employees. The scope is mainly focused on the headquarters and the Toyota factory.</p> <p>1.Occupational Safety and Health Management Policy and Responsibilities:</p> <ul style="list-style-type: none"> <li>•Compliance with relevant safety and health regulations</li> <li>•Ensuring operational safety for personnel in the workplace</li> <li>•Creating a workplace environment free from occupational hazards</li> <li>•Improving hardware facilities and reducing hazard risks</li> </ul> <p>2.The company has established a Safety and Health Committee at the Fengtian Plant in accordance with the law. The committee meets once every three months to review, coordinate, and propose matters related to safety and health. Minutes of the meetings are documented and preserved for the required period. The implementation secretary tracks the progress of proposals and decisions made during the meetings, and presents an execution effectiveness report at the next meeting, aiming to reduce occupational hazards for employees.</p> <p>3.On September 26, 2022, the company completed the online submission of its sustainability report. The recordable occupational injury frequency was 5 incidents, and the recordable occupational injury rate was 1.533.</p> <p>(4) The company formulates an annual employee education and training plan, which includes both internal and external training based on the actual needs. This plan aims to enhance employees' personal and professional development. In the sustainability report submitted online on September 26, 2022, the following information regarding factory safety and health education was disclosed:                      (1) After new employee report for duty, they receive a pre-employment training session of at least three hours conducted by the Safety and Health Department. Upon their assignment to respective units, they receive an additional three hours of job safety training before they can start working. (2) The Quality Management Department arranges two safety and health education training</p>	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
(5) Does the company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect consumers' rights and interests?	✓		<p>sessions each year, which are conducted by the Safety and Health Department head. These training sessions target employees with relatively less experience or those involved in recent occupational accidents, aiming to strengthen their safety and health awareness and hazard prevention consciousness. (3) For workplaces involved in specialized substances, organic solvents, oxygen-deficient operations, and rooftop operations, the respective supervisors are assigned according to regulations, and they must obtain relevant certifications. They are also required to participate in on-the-job training as stipulated. (4) Personnel operating forklifts with a load capacity of over one ton, fixed cranes, boilers, and the first category pressure vessels must receive the necessary training and obtain the required certifications according to regulations. They are also required to participate in on-the-job training. The company strictly prohibits unlicensed personnel from operating the mentioned machinery and equipment. In addition, an analysis of the training status for the year 2021 was provided, indicating that there were 33 hours of compliance-related legal courses, 106 hours of professional and technical courses, and 1,182.5 hours of management skills courses.</p> <p>(5) The company is committed to the food safety policy of "Delicious and Healthy, Quality First" and adheres to the food safety objectives of "Quality, Innovation, and Delivery." Regarding the policy and procedures for protecting consumer rights and the complaint process, the company has established operating standards and procedures such as "Customer Complaint Handling," "Toll-free Service Hotline," and "Product Recall Process and Handling." These procedures are implemented and executed in accordance with the specified regulations.</p> <p>In terms of protecting consumer rights, the company has obtained ISO 9001, ISO 22000, and HACCP system certifications. Additionally, in accordance with the regulations announced by the Food and Drug Administration of the Ministry of Health and Welfare regarding "Food Operators Required to Obtain a Health Safety Management System," the company has obtained certification for its food safety management system. Furthermore, based on the Food Safety and Health Management Regulations and ISO 22000 standards, the company has established procedures for product identification and traceability. These procedures include annual product recall drills conducted based on different product categories to ensure the</p>	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
(6) Does the company have a supplier management policy that requires suppliers to follow relevant specifications and implement environmental protection, occupational safety, and health or labor human rights issues?	✓		<p>effectiveness of the process and serve as part of employee education and training. The company has also set up an 0800 customer complaint handling center within the factory. Each customer complaint is treated with utmost importance and addressed promptly by providing solutions and feedback to consumers. The issues are also communicated to relevant internal departments for further inspection, evaluation, and improvement to prevent similar problems from recurring. Project-based management is implemented when necessary to ensure that every consumer receives the best possible service.</p> <p>(6) To ensure product quality and safety, the company requires suppliers to be registered and approved by local governments, produce goods that meet the company's specifications or obtain quality verification from third-party reputable organizations. Suppliers must also have control mechanisms in place, such as safety certifications or provide proof of food additives and hygiene inspection reports. The company has established a "Purchasing Policy Management Policy" and "Supplier Evaluation Criteria and Management Policy" based on safety, social, environmental, and service-related issues as the basis for supplier evaluation. The supplier evaluation management policy includes assessment criteria for material management, process control, food safety and traceability management, and service. The evaluation is conducted using a checklist based on good hygiene management standards applicable to suppliers. Through these measures, the company ensures that suppliers comply with relevant legal obligations and national food regulations, as well as adhere to health regulations regarding employee health checks and prioritize workers' working environment and occupational health and safety. In the sustainability report submitted online on September 26, 2022, the company disclosed that there were 180 domestic suppliers of raw materials and packaging materials involved in transactions in the year 2021, along with 8 contract manufacturers, totaling 188 suppliers. In the year 2021, the company conducted actual visits to 65 suppliers, accounting for 34.57% of the total number of evaluated suppliers. None of the visited suppliers were found to be non-compliant (rated as grade C). Out of the 65 visited suppliers, 7 were new suppliers, all of whom passed the evaluation, resulting in a pass rate of 100.00% for the evaluated suppliers during that year.</p>	



Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
	yes	no	Summary explanation	
5. Does the company prepare the corporate social responsibility report and other reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification unit?	✓		The company publishes a corporate social responsibility report every year, which is written in accordance with the framework published by the Global Reporting Initiative (GRI) and based on the core disclosure principles. For this report, Deloitte is appointed to perform independent and limited assurance on the selected indicators in accordance with R.O.C. Standards for Assurance Bulletin No. 1 "Assurance cases of audit or review of non-historical financial information." Market Observation Post System: <a href="http://mops.twse.com.tw/mops/web/t100sb11">http://mops.twse.com.tw/mops/web/t100sb11</a> , enter the company's stock code 1203 to query the Sustainability Report. And disclose the Sustainability Report for the current year and past years on the Company's website. <a href="https://www.vewong.com/ec99/ushop20069/profile_12.asp">https://www.vewong.com/ec99/ushop20069/profile_12.asp</a>	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
6. If the company has its own Sustainable Development Best Practice Principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies," please state the implementation status and the differences: In March 2016, the board of directors of the company approved the "Corporate Social Responsibility Best Practice Principles," which include the promotion of corporate governance, the development of a sustainable environment, the maintenance of social welfare, and the strengthening of corporate social responsibility information disclosure so that the company's employees can follow together to manage the economic, environmental, and social risks and impacts. There are no major differences.				
7. Other important information to understand the operation of corporate social responsibility: 1. The Company has passed ISO22000 and ISO9001 certifications. In addition to gaining international credibility and enhancing corporate image through the evaluation of third-party certification bodies, the implementation of the systems can help establish a complete written system, procedures, and organization, which can not only leave the Company's technical documentation assets which may become a template for operational communication when necessary, making internal communication easier to grasp, but also improve management efficiency, effectiveness and work quality due to the establishment of a management system to maintain the stability and safety of product output to allow consumers to eat and use with peace of mind. In addition, the company issues and publishes corporate social responsibility reports with non-financial information, which will help investors and stakeholders understand the company's operations. 2. The company's corporate social responsibility system promotion plan and implementation results are disclosed in the corporate social responsibility report of the current year and previous years on the company's website. The URL is: <a href="https://www.vewong.com/ec99/ushop20069/profile_12.asp">https://www.vewong.com/ec99/ushop20069/profile_12.asp</a>				

Note 1: Regardless of whether the operation status is checked as "Yes" or "No," it should be stated in the summary description column.  
 Note 2: The principle of materiality refers to issues related to environment, society and corporate governance that have a significant impact on company investors and other stakeholders.

Table 6-1 Implementation of Climate-related Information:

Item	Execution situation
1. Clarify the supervision and governance of climate-related risks and opportunities by the Board of Directors and management. 2. Explain how identified climate risks and opportunities affect the company's business, strategy, and finances in the short, medium, and long term. 3. Describe the financial impact of extreme	As a member of the global community, our company shares the same land with the general public. In addition to dedicating ourselves to producing high-quality products, we also strive to protect the environment. Energy conservation, carbon reduction, and caring for the Earth have always been important environmental issues that receive attention. The company continue to make efforts in this regard. To achieve this, we are designing packaging with a focus on



Item	Execution situation
<p>weather events and transition actions.</p> <p>4. Explain how the identification, assessment, and management processes of climate risks are integrated into the overall risk management system.</p> <p>5. If scenario analysis is used to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts used.</p> <p>6. If there is a transition plan to manage climate-related risks, describe the content of the plan, as well as the indicators and targets used to identify and manage physical and transition risk.</p> <p>7. If internal carbon pricing is used as a planning tool, explain the basis for price determination.</p> <p>8. If climate-related goals are set, provide information on the covered activities, greenhouse gas emission scopes, planning timelines, annual progress, and, if applicable, the source and quantity of carbon offsets or Renewable Energy Certificates (RECs) used to achieve the goals.</p> <p>9. Inventory of greenhouse gas emissions and verification status (Table 6-1)</p>	<p>reducing carbon footprints. The future plans involve reducing packaging materials, using environmentally friendly packaging methods, incorporating recycled materials, and adopting packaging methods that minimize environmental impact. Through long-term and progressive actions, the company aim to protect the environment and provide consumers with low-carbon and environmentally friendly product choices.</p> <p>Currently, the governance framework for climate change issues is managed and controlled by the Sustainable Development Committee. The company assess and manage the relevant issues and report the progress to the Board of Directors annually. Regarding the financial impact of extreme weather events and transition actions:</p> <ol style="list-style-type: none"> <li>1. Volatility in the prices of raw materials leads to increased operating costs. The impact is in the short term (less than three years).</li> <li>2. Adopting alternative materials and investing in research and development lead to increased process efficiency and costs. The impact is in the medium term (three to five years).</li> </ol> <p>Regarding the management policies and goals for environmental protection (including waste and wastewater)</p> <ul style="list-style-type: none"> <li>● Implementing pollution source permit management</li> <li>● Promoting reduction of air pollution emissions</li> <li>● Enhancing resource recycling and reuse</li> <li>● Promoting business waste reuse</li> <li>● Strengthening management of business waste flow</li> <li>● Ensuring wastewater treatment meets national discharge standards</li> </ul>

**Table 6-1**

<p>Basic information of the company</p> <p><input type="checkbox"/> Companies with a capital of more than 10 billion, the steel industry, and the cement industry</p> <p><input type="checkbox"/> Companies with a capital of more than 5 billion but less than 10 billion yuan</p> <p><input checked="" type="checkbox"/> Companies with a capital of less than 5 billion</p>	<p>According to the regulations of the sustainable development road map of listed companies, at least</p> <ul style="list-style-type: none"> <li>■ Parent company individual check</li> <li><input type="checkbox"/> Inventory of consolidated financial reporting subsidiaries</li> <li><input type="checkbox"/> The parent company is convinced</li> <li><input type="checkbox"/> Consolidated financial reporting subsidiaries convinced</li> </ul>
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Scope 1	Total Emissions (metric tons CO <sub>2</sub> e)		Density (Note 1) (metric tons CO <sub>2</sub> e/ million dollar) Note 2		Confident Organization	Confident statement
	2020	2021	2020	2021		
Year	2020	2021	2020	2021	None	None
parent company	8,639.559	7,168.948	3.837	3.227		
Subsidiary		—	—			
Total	8,639.559	7,168.948	3.837	3.227		
Scope 2	Total Emissions (metric tons CO <sub>2</sub> e)		Density (metric tons CO <sub>2</sub> e/ million dollar)		Confident Organization	Confident statement
	2020	2021	2020	2021		
Year	2020	2021	2020	2021	None	None
parent company	4,362.109	4,233.841	1.937	1.906		
Subsidiary		—	—			
Total	4,362.109	4,233.841	1.937	1.906		

Note 1: Intensity = Annual greenhouse gas emissions / Net revenue from self-manufactured products.

Note 2: The net revenue from self-manufactured products for the year 2021 is approximately NT\$2,221.7 million. The net revenue from self-manufactured products for the year 2020 is approximately NT\$2,251.7 million.



**(7) Performance of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons:**

Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
<p>1. Establishment of ethical corporate management policy and plan</p> <p>(1) Does the company have an ethical corporate management policy approved by the board of directors. Clearly, they state the ethical corporate management policy and practice in the internal regulations and external documents and the commitment of the board of directors and senior management to actively implement the corporate management policy?</p> <p>(2) Has the company established an evaluation mechanism for the risk of unethical behavior, regularly analyzed and evaluated the business activities with high unethical behavior risk within the business scope, and formulated a plan to prevent unethical behavior accordingly, which at least covers the preventive measures for the behaviors in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?</p> <p>(3) Does the company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them, and regularly review and revise the plan?</p>	<p>✓</p> <p>✓</p> <p>✓</p>		<p>The company has formulated the “Ethical Corporate Management Best Practice Principles” to be followed by the company's directors, managers, employees, assignees, or substantive controllers. The company also adopts preventive measures against each of the circumstances in paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” or other business activities within the business scope that have a higher risk of dishonest behavior. The company has also established the “Principles for Handling Violation of Ethical Corporate Management,” and the punishment and appeal system for relevant violations have been implemented. In addition, the company’s “Corporate Integrity Code” Article 20 stipulates that relevant insider are prohibited from using information that is not available in the market to make a profit for the implementation of sentiments, and there has been no violation in 2022. In addition, at the 5th meeting of the 18th session of the board of directors in 2009, the company adopted the “Prevention of Insider Trading Management Control Points” to strengthen the company's good internal material information processing and disclosure mechanism, avoid improper information leakage, and ensure that the company publishes information to the outside world consistency and correctness.</p>	<p>The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>2. Implementation of ethical corporate management</p> <p>(1) Does the company assess its counterparties' ethical corporate management records and specify the ethical corporate management terms in the contracts it enters into with them?</p> <p>(2) Has the company set up a dedicated unit under the board of directors to promote ethical corporate</p>	<p>✓</p> <p>✓</p>		<p>(1) The company has formulated the “Ethical Corporate Management Best Practice Principles,” and there are rigorous operating specifications and procedures in the relevant management measures. For example, the “Purchasing Management Operating Standards” sets out procurement principles, rights and responsibilities, procedures... etc. to prevent the occurrence of unethical behavior.</p> <p>(2) The company does not have a dedicated (part-time) unit under the board of directors to promote ethical corporate management. In</p>	<p>Except for the non-compliance of the second and fifth items in the operating conditions listed on the left, the remaining operating conditions comply with the requirements of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and there is no major difference.</p>



Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
<p>management, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of the implementation?</p> <p>(3) Does the company have a conflict-of-interest prevention policy to provide appropriate channels for explaining and implementing it?</p>	✓		<p>the future, the feasibility of establishment will be evaluated based on the legal environment, the company's operating conditions and management needs.</p> <p>(3)The company has formulated the “Code of Procedures for the Board Meeting of the Company.” Concerning meeting matters, if there is an interest related to a director himself or the legal person he represents, the director shall explain the important content of his interest at the current board meeting; if there is possible harm to the interests of the company, the director shall not participate in but shall avoid the discussion and voting, and shall not act for other directors to exercise their voting rights. In addition, in order to implement Article 18 of the "Corporate Integrity Code" to prevent conflicts of interest, the company has established the "Principles for Handling Cases of Violation of Integrity" to follow, provide appropriate notification channels, and strengthen internal control and handling principles. No violations occurred in 2022.</p>	
<p>(4) Has the company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?</p>	✓		<p>(4)The company has established an effective accounting system and internal control system in accordance with the law. Internal auditors regularly check the compliance with the internal control system in accordance with the law, and self-assessment is implemented to ensure the effectiveness of the internal control system and serve as the basis for the declaration of the internal control system, which is submitted to the board meeting for approval and implementation of the responsibility of ethical corporate management.</p>	
<p>(5) Does the company regularly conduct internal and external ethical corporate management?</p>	✓		<p>(5)The company regularly organizes internal and external education and training such as related laws and regulations on integrity management to strengthen the firm commitment of relevant business colleagues to comply with integrity standards.</p>	
<p>3.Operation of the company's accusation system</p> <p>(1) Does the company have a specific accusation and reward system, establish a convenient accusation channel, and assign appropriate personnel to the accused person?</p> <p>(2) Has the company established the</p>	✓		<p>The company has established a specific reporting and reward system and a list of e-mail addresses and contact numbers of relevant supervisors. The accusation channel is smooth. If there is any accusation case, it will be investigated and handled by the special</p>	<p>The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>



Evaluation items	Operation status (note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	yes	no	Summary description	
<p>standard operating procedures for the investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism?</p> <p>(3) Does the company take measures to protect the accuser from improper treatment due to the accusation?</p>	✓		<p>personnel of the audit or personnel unit. According to the established "Reward and Punishment Management Measures," a Reward and Punishment Committee is set up to handle reward and punishment matters and deal with them impartially according to the norms to protect the parties involved and informers. In addition, in June 2017, the "Principles for Handling Cases of Violations of Integrity" was formulated, which includes the channels and methods of reporting, the process of reporting cases, and measures to protect whistleblowers.</p>	
<p>4.Enhancement of information disclosure</p> <p>(1) Does the company disclose the content and promotion effect of its ethical corporate management best practice principles on its website and the MOPS?</p>	✓		<p>The company discloses its "Ethical Corporate Management Best Practice Principles" related information on its website and the MOPS.</p>	<p>The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.</p>
<p>5.If the company has its own ethical corporate management best practice principles in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies", please state the differences between its operation and the principles:</p> <p>The company has established the "Ethical Corporate Management Best Practice Principles" and "Principles for Handling Violation of Ethical Corporate Management," and there is no major difference in its operation with the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."</p>				
<p>6.Other important information helpful to understand the company's ethical corporate management operation: (such as the company's review and amendment of the ethical corporate management best practice principles)</p> <p>The company will continue to review and amend the "Ethical Corporate Management Best Practice Principles" and "Principles for Handling Violation of Ethical Corporate Management" in accordance with the latest version "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," and follow them in operation.</p>				

Note 1: Regardless of whether the operation status is checked "Yes" or "No," it should be stated in the summary description column.

### **(8) Disclosure of access to Company Corporate Governance Best Practice Principles and related rules and regulations:**

1. The company has set the "Principles of Practice for Corporate Governance", "Rules of Integrity Management", "Company Compensation Committee Organizational Rules" and "Audit Committee Organizational Rules" and other regulations related to corporate governance rules.
2. Please refer to the company's website <https://www.vewong.com/>

### **(9) Other information enabling a better understanding of Company Corporate Governance:**

1. On May 12, 2021, the board of directors of the Company approved the establishment of the post of Corporate Governance Director, and appointed manager Wei, Jing-Xiong of the secretary office as the Corporate Governance Director (in compliance with the statutory qualifications of corporate governance director, the appointment date is June 30, 2021), responsible for corporate governance-related matters.
2. The Corporate Governance Director of the Company shall at least have the following terms of reference in charge of corporate governance matters:
  - (1) Handle matters related to the meeting of the board of directors and the shareholders' meeting in





accordance with the law.

- (2) Prepare the minutes of the board of directors and shareholders' meetings.
  - (3) Assist directors in their appointment and continuing education.
  - (4) Provide the information required by the directors to carry out their business.
  - (5) Assist directors in complying with laws and regulations.
  - (6) Other matters stipulated in the company's Articles of Incorporation or contract, etc.
3. Regarding the execution of the business in charge of corporate governance: All are carried out in accordance with the terms of reference listed above.
4. The implementation of advanced training for corporate governance supervisors is as follows:

No.	Organizer	Course Title	Advancement Date		Training Hours
			From	To	
1	Financial Supervisory Commission	The 13 <sup>th</sup> Taipei Corporate Governance Forum	2021/09/01	2021/09/01	6.0
2	Digital Governance Association	Directors and Supervisors Responsibility and Risk Management Seminar	2021/09/15	2021/09/15	3.0
3	Securities & Futures Institute	2021 Insider Trading Prevention Promotion Conference	2021/11/03	2021/11/03	3.0
4	Taiwan Institute for Sustainable Energy	Taishin 30 Sustainable Net Zero Summit Forum	2022/04/22	2022/04/22	3.0
5	Securities & Futures Institute	2022 Insider Trading Prevention Promotion Conference	2022/05/20	2022/05/20	3.0

5. The company website : <https://www.vewong.com/>

6. Public Information Observatory : <http://mops.twse.com.tw/mops/web/index> , stock code: 1203



## (10) Status of internal control system

### (1) Internal Control Declaration

#### **Ve Wong Corporation.**

#### **Declaration of the Internal Control Declaration**

Date: Mar. 29, 2023

The Company inspected the 2022 internal control system autonomously with the following results:

1. The Company is fully aware that the Board of Directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it has been established accordingly. The purpose of its establishment was to reasonably ensure the fulfillment of effective operation and efficiency (including profit, performance, and protection of assets safety), and the reliability, timeliness, transparency, and regulatory compliance of financial reports.
2. The internal control system design has inherent limitations. No matter how perfect such control is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. The effectiveness of such an internal control system could be influenced by changes in the environment and other circumstances. Therefore, the Company's internal control system has been designed with a self-monitoring mechanism so that corrective action will be activated immediately upon the identification of any nonconformity.
3. The Company has assessed the effectiveness of the design and implementation of the internal control system in accordance with criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria defined in "the Regulations" include five elements that depend on the management control process: (1) environment controls, (2) risk assessment, (3) control processes, (4) information and communications, and (5) supervision. Each of the five elements is then divided into sub-categories. Please refer to "the Regulations" for details.
4. The Company has implemented criteria for inspection of the internal control system referred to above to ascertain its effectiveness, design, and implementation.
5. The Company, based on the inspection results referred to above, declared (on December 31, 2022) that the internal control system, including the supervision and management of subsidiaries, is reasonably effective and achieves the objectives of operation and efficiency, the financial report is of reliability, timeliness, transparency and regulatory compliance.
6. The Declaration of Internal Control System is the main content of the Company's annual report and published prospectus. Any false statement and concealment of the published content referred to above involves liability set out in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Declaration of the Internal Control System was resolved at a meeting of the Board of Directors on March 29, 2023, with no objections by any of the 15 attending Directors. The contents of the declaration have been accepted without objection.

**Ve Wong Corporation.**

Chairman:



General Manager





(2) The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A

**(11) Punishment of the Company or its internal personnel in accordance with the law, punishment of internal personnel by the Company for violating internal control system regulations, main deficiencies, and improvements during the recent year and up to the date of publication of this annual report: N/A**

**(12) Resolutions reached at a meeting of shareholders or by the Board of Directors during the recent year and up to the date of publication of this annual report:**

1. Annual Meeting of Shareholders

Year	Dates	Resolutions	Implementation status
2022	2022/06/22	1. Approved 2021 business report and financial statements. 2. Approved the proposal for distribution of 2021 profits. 3. Approved Amendments to some provisions of the company's Articles of Incorporation. 4. Approved of Amendments to Articles of Rules of Procedure for Shareholders Meeting. 5. Approved of Amendments to Articles of Procedures for the Acquisition or Disposal of Assets.	1. The form has been submitted to the competent authority for review and announcement in accordance with the company law and other relevant laws and regulations. 2. The cash dividend of NT\$1.1/ per share was distributed on October 6, 2022. 3. The Department of Commerce of the Ministry of Economic Affairs approved the change of registration on July 6, 2022. 4. The resolution was passed and came into effect on June 22, 2022. 5. The resolution was passed and came into effect on June 22, 2022..

2. Board of Directors

Term of the Meeting	Date	Discussions and Resolutions
4 <sup>th</sup> Meeting of 22 <sup>st</sup> Term	2022/03/30	1. Approved the 2021 employees' compensation issues and the amount of Manager staff compensation. 2. Approved the 2021 Director's remuneration rate and amount. 3. Approved the 2021 distributing remuneration amount of Non-independent Directors. 4. Approved the 2021 distributing remuneration amount of independent Directors. 5. Approved the proposal for 2021 "Evaluation and Judgment on the Effectiveness of Internal Control in the "Judgment Table of Components of Internal Control System". 6. Approved the proposal of the 2021 "Internal Control System Declaration". 7. Approved 2021 consolidated financial statements, individual financial statements, and business reports. 8. Approve the proposal for distribution of 2021 profits. 9. Approved the 2022 appointment of the certified accountant, certified accountant's remuneration, and accountant's independence assessment. 10. Approved of the amendments to Articles of Incorporation. 11. Approved the amendments to Articles of Procedures for the Acquisition or



Term of the Meeting	Date	Discussions and Resolutions
		Disposal of Assets. 12. Approved the proposal to convene the 2022 shareholders' meeting. 13. Approved the appointment of Mr. Lin, Huo-Yi as the consultant of the company 14. Approved the application to Bangkok Bank for the renewal of the comprehensive credit line. 15. Approved the application to Tai Ve Co., Ltd. for the loan limit case.
5 <sup>th</sup> Meeting of 22 <sup>st</sup> Term	2022/05/11	1. Approved the amendments to Articles 20 of "Code of Practice on Corporate Governance". 2. Approved to set up the "Internal Audit Management Measures". 3. Approved the amendments to some articles of "Rules of Procedure for Shareholders Meeting". 4. Approved the added reason for convening the company's 2022 annual shareholders' meeting. 5. Approved the participating in the cash capital increase of Hughes Biotechnology Co., Ltd., which was reinvested by the company.
6 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2022/08/10	1. Approved setting the base date for the payment of cash dividends for 2021 and other related matters. 2. Approved the establishment of the internal control of the "Compilation and Verification of the Sustainability Report", the "Key Operations of Internal Control" and the "Key Operations of Internal Auditing Procedures and Key Auditing Operations" of the preparation and verification of the sustainability report were respectively included. 3. Approved the retirement of the Factory Director of Fongtien plant and the appointment of consultants. Approved the promotion of the Factory Director of Fongtien plant, etc. 4. Approved the application for a comprehensive credit extension, short-term guarantee loan, and export quota renewal from the Dadaocheng Branch of Taiwan Cooperative Bank. 5. Approved the application to Taiwan Cooperative Bank Zhongshan Branch for the renewal of the comprehensive credit line. 6. Approved the application to First Commercial Bank Zhongshan Branch for the renewal of the comprehensive credit line. 7. Approved the application to Mega International Commercial Bank Zhongshan Branch for the renewal of the comprehensive credit line. 8. Approved the application to Taiwan Business Bank Zhongshan Branch for comprehensive credit line and import and export line renewal. 9. Approved the application to the business department of Hua Nan Commercial Bank for mortgage loan and export quota renewal.
7 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2022/11/11	1. Approved the company's "2023 Annual Audit Plan". 2. Approved the revision of the "Code of Practice for Sustainable Development" and the formulation of "Sustainable Development Policies, Systems and Management Guidelines" and "Risk Management Policies and Procedures". 3. Approved the amendment to certain provisions of the Company's "Rules of Procedure for Board of Directors' Meetings." 4. Approved to set up "Internal Major Information Processing Procedures". 5. Approved the application to Bank of Taiwan Zhongshan Branch for a comprehensive credit extension and export quota renewal case. 6. Approved the application to Bank SinoPac for the renewal of the comprehensive credit line.



Term of the Meeting	Date	Discussions and Resolutions
8 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2022/12/26	<ol style="list-style-type: none"> <li>1. Approved the revision of some articles of the company's "Organizational Regulations".</li> <li>2. Approved the application to Bangkok Bank for the renewal of the comprehensive credit line.</li> <li>3. Approved the application of Tai Ve Co., Ltd. for the loan case.</li> </ol>
9 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/03/15	<ol style="list-style-type: none"> <li>1. Approved the company's 2022 self-concluded financial information.</li> </ol>
10 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/03/29	<ol style="list-style-type: none"> <li>1. Approved the 2022 employee compensation issues and the amount of Manager staff compensation.</li> <li>2. Approved the 2022 Director's remuneration rate and amount.</li> <li>3. Approved the 2022 distributing remuneration amount of Non-independent Directors.</li> <li>4. Approved 2022 distributing remuneration amount of independent Directors.</li> <li>5. Approved the proposal for 2022 "Evaluation and Judgment on the Effectiveness of Internal Control in the "Judgment Table of Components of Internal Control System".</li> <li>6. Approved the proposal of the 2022 "Internal Control System Declaration".</li> <li>7. Approved of the amendments to some articles of the "Code of Practice on Corporate Governance".</li> <li>8. Approved 2022 consolidated financial statements, individual financial statements, and business reports.</li> <li>9. Approve the proposal for distribution of 2022 profits.</li> <li>10. Approved the 2023 appointment of the certified accountant, certified accountant's remuneration, and accountant's independence assessment.</li> <li>10. Approved the amendment of some provisions of the articles of association of the company.</li> <li>11. Approved the proposal to convene the 2023 shareholders' meeting.</li> <li>12. Approved to participate in the re-election of directors and supervisors at the 2023 shareholders' regular meeting of Summit Packing Industrial Co., Ltd. through the nomination of candidates.</li> <li>13. Approved the appointment of Mr. Lin Huo-Yi as the consultant of the company.</li> </ol>

**(13) Recorded or written statements of dissent made by any Director or Supervisor to important resolutions passed by the Board of Directors during the recent year and up to the date of publication of this annual report: N/A**

**(14) Summary of discharge and resignation of parties relating to the annual report (Chairman, General Manager, Chief Accountant, Financial Officer, Chief Internal Auditor, and R&D Officer) in the recent year and up to the date of publication of this annual report: N/A**



## 5. Information on CPA professional fees

### (1) Step Table of CPA professional fees

Unit: NT\$ thousand

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-audit Fee	Total	Remark
PKF Taiwan	Lin, Kuan-Zhao	Jan.01, 2022~ Dec.31, 2022	2,750	Tax Compliance Audit\ 380 Annual Report Review\ 120 Direct Deduction Check\ 120 Information check about salary of full-time employees who are not in a managerial position \5	3,375	
	Chang, Hui-Yu	Jan. 01, 2022~ Dec.31, 2022				

Note: If the company has changed accountants or accounting firms this year, please list the audit period, explain the reasons for the change in the remark's column, and disclose the audit and non-audit public fees paid in sequence. Non-audit public fees and should be annotated to explain its service content.

**(2) In the case of a change of CPA firm and the audit fees for the year of the change are less than those of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A**

**(3) In the case of the audit fees being 15% less than that of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A**



## 6. Information about Replacement of CPA

### (1) About Former Accountants

Date of Replacement	Approved by the Board of Directors on March 30, 2022		
Reason for change and explanation	Due to the requirement of the rotation of accountants, the Company's accountant will be changed from CPAs Lin, Kuan-Zhao and Wen, Ming-Yu to CPAs Lin, Kuan-Zhao and Chang, Hui-Yu, starting from the First Quarter of 2022.		
Indicate whether the appointment is terminated or not accepted by the appointor or accountant	Parties	Accountant	Appointees
	Situation	N/A	
	Proactive termination of appointment		
No longer accept (continued) appointment			
Opinions on audit reports other than unqualified opinions issued within the last two years and the reasons therefor	None		
Any disagreement with the issuer	Yes	-	Accounting Principles or Practices
		-	Disclosure of Financial Reports
		-	Inspection scope or steps
		-	Other
	No	V	
Description			
Other disclosures (The disclosure should be made in paragraph 6(1)(d) to (1)(g) of Article 10 of this Standard)	None		

### (2) About Successor Accountants

Name of Firm	PKF Taiwan
Name of Accountant	CPAs Lin, Kuan-Zhao and Chang, Hui-Yu
Date of Appointment	Approved by the Board of Directors on March 30, 2022
Before Appointment Consultation on the accounting treatment or accounting principles for specific transactions and on the possible issuance of financial statements and the results of such consultation	-
Written opinion of the successor accountant on matters on which the predecessor accountant disagreed	-

### (3) Reply from the previous accountant regarding paragraph 10(6)(1) and (2)(3) of the Standard: N/A.



## 7. Information regarding the Chairman, General Manager, and Financial or Accounting Manager of the company who has worked with the CPA firm which conducts the Audit of the Company or an affiliate of said firm in the recent year: N/A

## 8. Assessment of Accountant's Independence

The company assesses the independence of the independent auditors at least once a year. After obtaining a declaration of independence issued by the independent auditors and assessment in accordance with the independence evaluation standards, based on the evaluation results of the following elements, accounts Lin, Kuan-Zhao and Chang, Hui-Yu of PKF Taiwan meet the company's independence assessment standards and are adequate to serve as the company's independent auditors. The company has submitted the results to the meeting on March 30, 2022 for review and approved.

Elements of independent assessment of independent auditors:

- 1)The independent auditors' declaration of independence.
- 2)Auditing or non-auditing services provided by the independent auditors must be reviewed in advance to ensure that the non-auditing services will not affect the audit results.
- 3)The same independent auditors have not performed certification services continuously for more than seven years.
- 4)Annually through the accountant's competency questionnaire to consolidate the assessment results of the accountant's independence

Evaluation items	evaluation result	Independence
1. Whether there has been a fraud, breach of trust, embezzlement, forgery of documents, or criminal conduct in business, shall be determined by the declaration of more than one year of imprisonment.	no	yes
2. Whether there is a guardianship or auxiliary declaration has not been revoked.	no	yes
3. Whether it has been declared bankrupt and has not yet been restored.	no	yes
4. Whether or not he was dismissed as a civil servant, and his suspension period has not yet expired.	no	yes
5 When the accountant is entrusted with the business of the company, whether he has not considered the manpower, time, and risk level required for the entrusted case as a whole, unreasonably charged remuneration, and used improper methods to solicit business.	no	yes
6. Does the accountant have the following behaviors: (1) Agree to others to perform business in their own name. (2) Perform business in the name of another accountant. (3) Employed by a person who is not qualified as an accountant to perform accountant business. (4) Taking advantage of the accountant's status is an unfair competition in industry and commerce. (5) Perform business in matters of interest to them. (6) Use the name of an accountant as a guarantor outside the accountant business. (7) Purchase of movable or immovable property managed by the business. (8) Requesting, contracting, or receiving illegal benefits or rewards. (9) Soliciting business by improper methods.	no	yes





Evaluation items	evaluation result	Independence
(10) Promotional advertisements other than opening, relocation, merger, entrusted by clients, and introduction by accounting firms. (11) Leak business secrets without the permission of the designated agency, client, or person under investigation. (12) Other actions determined by the competent authority to affect the accountants' credibility.		
7. Does the accountant have the following behaviors: (1) To be employed by the company as a regular job, to receive a fixed salary or to serve as a director or supervisor. (2) Served as a director, supervisor, manager of the company, or an employee who has a significant influence on visa cases and has resigned for less than two years. (3) The person in charge or manager of the company has a spouse, direct blood relative, direct in-law, or second relative and other internal collateral blood relatives. (4) I, my spouse, and minor children have an investment or financial benefit relationship with the company. (5) I or my spouse, minor children and the company have funds to borrow. (6) To perform management consulting or other non-visa business enough to affect independence. (7) Inconsistent with the regulations governing the rotation of accountants, handling accounting affairs on behalf of others, or other regulations that can affect independence by the competent authority in business matters.	no	yes

### 9. The Situation of equity transfer or changes to equity pledge of directors, supervisor, managers, or shareholders holding more than 10% of Company shares in the most recent year up to the publication date of this report:

Title	Name	2022		As of April 30, 2023	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Chairman	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	0 70,000	0 0	0 28,000	0 0
Managing Director	Kan, Chin-Yu	0 407,000	0 0	0 0	0 0

Note 1 : Shareholders holding greater than a 10 percent stake in the Company should be remark as major shareholders.

Note 2 : If the transferees of shareholding transfer or shareholding pledge are related party, it should fill in the following table.

### The Information of Equity Transfer: Nil

### The Information of Equity Pledge: Nil



## 10. Top 10 shareholders and their relationships:

The data of Top 10 shareholders and their relationships

Name (Note 1)	Own Shareholding		Spouse and minor children's shareholding		Shareholding in name of others		Name, the relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)		Remark
	Quantity of shares	Share holding	Quantity of shares	Share holding	Quantity of shares	Share holding	Name	Relationship	
Hao Shine Trading Co., Ltd. Representative / Egawa Hirokazu	23,609,447	9.837%	—	—	—	—	—	—	
Chuan Wei Investment Co., Ltd. Representative / Chen, Yueh-Feng	23,424,026	9.760%	—	—	—	—	Oversea Fruits Trading Co., Ltd.	Same chairman in charge	
Overseas Bros Co., Ltd. Representative / Chen, Ling-Ling	22,784,966	9.494%	—	—	—	—	—	—	
You Shan Investment Co., Ltd. Representative / Chen, Hung-Mo	15,779,458	6.575%	—	—	—	—	San-Le Investment Development Co., Ltd.	Same chairman in charge	
VEDAN Enterprise Corporation Representative / Yang, Tou-Hsiung	14,537,628	6.057%	—	—	—	—	—	—	
San-Le Investment Development Co., Ltd. Representative / Yen, Bin-Hsiung	10,385,024	4.327%	—	—	—	—	—	—	
Luo Weixin Investment Co., Ltd. Representative / Hsieh, Yun-Jie	10,203,669	4.252%	—	—	—	—	—	—	
Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	8,759,761	3.650%	—	—	—	—	—	—	
Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	8,355,959	3.482%	—	—	—	—	—	—	
Oversea Fruits Trading Co., Ltd. Representative / Chen, Yueh-Feng	7,215,354	3.006%	—	—	—	—	Chuan Wei Investment Co., Ltd.	Same chairman in charge	

Note 1: Names of the top-10 shareholders must be listed, respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed, respectively.

Note 2: The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.

Note 3: For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.



**11. The number of shares held by the Company and Company Directors, Supervisor, managerial officers, and the entities directly or indirectly controlled by the Company in a single company and calculating the consolidated shareholding percentage of the above categories.**

Comprehensive shareholding ratio

As of December 31, 2022

Unit/ Thousand shares /%

Long-term Investment (note)	Invested by the Company		Invested by Directors, Supervisor, Management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Shares	%	Shares	%	Shares	%
The World Champion Co., Ltd.	15,999	99.99%	0	0.00%	15,999	99.99%
Summit Packing Industrial Co., Ltd.	9,505	95.05%	495	4.95%	10,000	100.00%
Tai Ve Co., Ltd.	82,323	79.93%	20,666	20.07%	102,989	100.00%
Green TFL Co., Ltd.	2,600	65.00%	200	5.00%	2,800	70.00%
Saigon Ve Wong Co., Ltd.	—	100.00%	0	0.00%	—	100.00%
Thai Fermentation Industry Co., Ltd.	204	48.66%	0	0.00%	204	48.66%
Samoa Ve Wong International Ltd.	50	100.00%	0	0.00%	50	100.00%
Samoa Best Founder Corporation	5,328	100.00%	0	0.00%	5,328	100.00%
Koh Kong Sugar Industry Co., Ltd. (Cambodia)	20(shares)	11.98%	0	0.00%	20(shares)	11.98%

Note : It is investments accounted for using the equity method of the Company.

## IV. Capital Overview

### 1. Capital and shares

#### (I) Company's Capital and Any issuance of Shares

Unit: NT\$ thousand, 1000 shares

Year	Month	Issuing Price (NT\$)	Authorized Capital		Paid-in Capital		Remarks		
			Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
1991	July	10	240,000,000	2,400,000,000	168,797,700	1,687,977,000	surplus capitalization 245,261,610	None	Tai-Tsai-Cheng (1) No. 01599 dated July 19, 1991
1995	June	10	240,000,000	2,400,000,000	182,301,516	1,823,015,160	surplus capitalization 16,879,770 capital reserve 118,158,390	None	Tai-Tsai-Cheng (1) No.38016 dated June 27, 1995
1997	October	10	240,000,000	2,400,000,000	194,654,662	1,946,546,620	surplus capitalization 6,858,480 capital reserve 116,672,980	None	Tai-Tsai-Cheng (1) No.71748 dated October 02, 1997
1998	June	10	240,000,000	2,400,000,000	209,253,762	2,092,537,620	surplus capitalization 48,663,660 capital reserve 97,327,340	None	Tai-Tsai-Cheng (1) No.01599 dated June 22, 1998
2009	August	10	240,000,000	2,400,000,000	219,716,450	2,197,164,500	surplus capitalization 104,626,880	None	Jing-Kung-Cheng -Fa-Zi No. 0980040301 dated August 12, 2009
2010	August	10	240,000,000	2,400,000,000	240,000,000	2,400,000,000	surplus capitalization 202,835,500	None	Jing-Kung-Cheng -Fa-Zi No. 0990043971 dated August 20, 2010

Unit: share / April 30, 2023

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares (listed)	Unissued Shares	Total	
Registered common stock	240,000,000	0	240,000,000	

Self - Registration System to issue securities: None





## (2) Shareholder structure

As of April 30, 2023

Shareholder structure Quantity	Government apparatus	Financial organization	Other juridical persons	Individuals	Foreign institution or foreigner	Total
Number of persons	0	5	214	44,863	74	45,156
Shares	0	13,050	184,797,814	50,457,485	4,731,651	240,000,000
Shareholding Percentage (%)	0.00%	0.01%	77.00%	21.02%	1.97%	100.00%

Note: The company does not have any mainland China equity holdings.

Note: Primary listing of Listed and OTC companies and Emerging Stock companies should disclose the proportion of their Mainland-Area owned shares; Mainland Area investment refers to the Mainland area people, legal persons, organizations, other institutions or companies that invest in third regions as stipulated in Article 3 of the “Regulations Governing Investment in Taiwan Area by Mainland Area Investors”.

## (3) Shareholding Distribution Status

### 1) Common Shares

As of April 30, 2023

Class of Shareholding (Unit: Share)	Number of Shareholders	Number of Shares Owned (Shares)	Shareholding ratio(%)
1 ~ 999	41,169	1,816,671	0.76%
1,000 ~ 5,000	3,222	5,982,826	2.49%
5,001 ~ 10,000	353	2,552,751	1.06%
10,001 ~ 15,000	131	1,585,118	0.66%
15,001 ~ 20,000	57	1,018,513	0.42%
20,001 ~ 30,000	64	1,588,823	0.66%
30,001 ~ 40,000	30	1,065,430	0.44%
40,001 ~ 50,000	11	490,185	0.20%
50,001 ~ 100,000	35	2,462,837	1.03%
100,001 ~ 200,000	18	2,484,495	1.04%
200,001 ~ 400,000	16	4,138,778	1.72%
400,001 ~ 600,000	8	4,282,390	1.78%
600,001 ~ 800,000	6	4,274,778	1.78%
800,001 ~ 1,000,000	4	3,588,097	1.50%
1,000,001 and above	32	202,668,308	84.45%
Total	45,156	240,000,000	100.00%

2) Diversification of special shares: None



#### (4) Major Shareholders (Top 10 shareholders or with Shareholdings greater than 5%)

As of April 30, 2023

Major Shareholders	Quantity of shares	Total shares owned (Shares)	Shareholding ratio (%)
Hao Shine Trading Co., Ltd.		23,609,447	9.837%
Chuan Wei Investment Co., Ltd.		23,424,026	9.760%
Overseas Bros Co., Ltd.		22,784,966	9.494%
You Shan Investment Co., Ltd.		15,779,458	6.575%
VEDAN Enterprise Corporation		14,537,628	6.057%
San-Le Investment Development Co., Ltd.		10,385,024	4.327%
Luo Weixin Investment Co., Ltd.		10,203,669	4.252%
Chien Shun Trading Co., Ltd.		8,759,761	3.650%
Great Pacific Navigation Co, Ltd.		8,355,959	3.482%
Oversea Fruits Trading Co., Ltd.		7,215,354	3.006%

#### (5) Market Price, Net Value, Earnings and Dividends per Common Share of Latest two years

Unit: Except for the Weighted Average Outstanding Shares  
and Investment Return Analysis, all are in NT\$

Item	Year		2021	2022	As of April 30, 2023
Market price per share (Note 1)	Highest		39.95	36.90	39.00
	Lowest		31.00	30.15	34.40
	Average		34.54	33.18	37.01
Net value per share	Before distribution		21.96	23.06	-
	After distribution		20.86	21.96	-
Earnings per share	Weighted Average Outstanding Shares		237,706	237,706	-
	EPS		1.88	2.63	-
Dividends per Share	Cash Dividend (Thousand Shares)		1.1	1.1 (Note5)	-
	Stock Dividends	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Investment Return Analysis	Price / Earnings Ratio(Note 2)		18.37	12.62	-
	Price / Dividend Ratio(Note 3)		31.40	30.16	-
	Cash Dividend Yield Rate(Note 4)		0.032	0.033	-

Note 1: The source of the information is the website of the Taiwan Stock Exchange Corporation (TWSE)

Note 2: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 3: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 4: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 5: The 2022 earnings distribution proposal has been resolved by the board of directors, with a cash dividend of NT\$1.10 per share, which has to be approved by the shareholders' meeting.



## **(6) Company dividend policy and implementation status**

### 1. Dividend policy:

The Company's industrial environment is frequently changing, and the company is in a stage of stable growth in the life cycle. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the company has earnings after its annual settlements, after income tax payments for profit-making businesses in accordance with the law and making up previous years' losses, 10% shall be first allocated as the legal reserve and the special reserve as required by the Securities and Exchange Act. If there is a remaining balance, then based on the actual profit and funding situation of the year and after the board meeting's resolution, a shareholder dividend distribution scheme can be proposed to the shareholders' meeting for resolution.

### 2. Status of execution:

The Company's 2022 after-tax net profit is NT\$625,396,127. According to the Securities and Exchange Act, the Company Act, the letters of the competent authority, and the company's Articles of Incorporation, the proposed distribution scheme is as follows:

- (1) 10% of NT\$63,664,593 will be set aside as the legal reserve.
- (2) Distribution of dividends to shareholders: A cash dividend of NT\$1.1 per share, a total cash dividend amount of NT\$264 million.

This case will be handled in accordance with relevant regulations after the resolution of the general shareholders' meeting on June 28, 2023.

## **(7) The impact on the company's operating performance and earnings per share by the allotted bonus shares to be proposed at the shareholders' meeting**

The company has not prepared and announced financial forecasts and has not allotted bonus shares; so this is not applicable.

## **(8) Remuneration of employees and directors**

### 1. The amount or range of the remuneration of employees and directors as stated in the Articles of Incorporation

#### ➤ Article 34 of the Company's Articles of Incorporation:

If the Company makes a profit in the year, it shall allocate 2% as the employees' remuneration and less than 5% as the directors' remuneration. However, if the company still has a cumulative loss, it shall reserve the compensation amount in advance.

### 2. The accounting treatment when there is a discrepancy between the actual distribution amount and the estimated amount, based on the estimated cash amount of remuneration for employees and directors, and based on share number calculation for employees' remuneration to be distributed in stock for the current period:

➤ According to the distribution plan of the Company's management, the estimates are made in proportion to the current year's pre-tax net profit before deducting employees' remuneration and director's remuneration, and recognized as the current year's expenses. Suppose there is any difference between the estimated amount above and the actual payment amount. In that case, it shall be handled according to the change of accounting estimate and recorded in the payment year.

➤ Calculation basis for the number of shares for employee compensation distributed by stock: There is no employee compensation distributed by stock in the current period, so it is not applicable.

### 3. Remuneration distribution approved by the board meeting:

#### (1) The amount of employees' remuneration and directors' remuneration distributed in cash:

In 2022, the Company's estimated employees' remuneration and directors' remuneration were NT\$14,666,203 and 14,666,203, respectively. According to the company's management's distribution



plan, the estimates are made in proportion to the current year's pre-tax net profit before deducting employees' remuneration and director's remuneration.

- (2) The amount of employees' remuneration distributed in stock as a proportion of the sum of the after-tax net profit in the individual or respective financial report and the total employees' remuneration for the current period: N/A
  - (3) Differences between the amount of employee remuneration and director's remuneration distributed in cash or stock and the estimated amount of recognized expenses in 2022, the reasons and the treatment situation: There is no difference with the amount of expenses recognized in the financial statements of 2022.
4. The actual distribution of remuneration for employees and directors in the previous year:
- The amount of employees' remuneration and directors' remuneration for 2021 was NT\$14,666,203 and NT\$16,420,434, respectively, both of which were paid in cash. The aforementioned employees' remuneration and directors' remuneration were expensed in 2021, and the book amounts are no different from the amounts proposed by the board meeting on March 30, 2022.

#### **(9) The situation of the company's share buyback:**

In 2022 and as of the annual report's printing date, the Company did not buy back its shares.

**2. Corporate Bonds: None.**

**3. Preferred Stock: None.**

**4. Global Depositary Receipts: None.**

**5. Employee Stock Options: None.**

**6. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.**

### **7. Financing Plans and Implementation**

#### **(1) Finance Plans**

For each uncompleted public issue or private placement of securities, and for such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits.

Not applicable.

#### **(2) Implementation**

The plan execution (If the progress or the expected effect of each plan is not fulfilled), the root causes should be specified.

Not applicable.





# V. Operation Highlights

## 1. Business Scopes

### (1) Description of Operation

- (1) A102060 Food Dealers
- (2) C102010 Manufacture of Dairy Products
- (3) C103050 Manufacture Canning, Freezing, Dehydration, Pickled of Food
- (4) C104010 Manufacture Sugar Confectionery
- (5) C104020 Manufacture Bakery and Steam Products
- (6) C105010 Edible Oil and Fat Manufacturing
- (7) C106010 Grain Husking, Manufacture of Grain Mill Products, Starches and Starch Products
- (8) C108010 Carbohydrate Manufacturing
- (9) C109010 Manufacture of Seasoning
- (10) C110010 Beverage Manufacturing
- (11) C114010 Food Additives Manufacturing
- (12) C199010 Manufacture of Noodles, Couscous and Similar Farinaceous Products
- (13) C199020 Edible Ice Manufacturing
- (14) C199030 Instant Meal Box Food Manufacturing
- (15) C199040 Beans Processed Food Manufacturing
- (16) C199990 Manufacture of Other Food Products Not Elsewhere Classified
- (17) C201010 Feed Manufacturing
- (18) C601030 Paper Containers Manufacturing
- (19) C801010 Basic Chemical Industrial
- (20) C801120 Manufacture of Man-made Fibers
- (21) C802060 Veterinary Drug Manufacturing
- (22) C802070 Agro-pesticide Manufacturing
- (23) C805030 Plastic Daily Necessities Manufacturing
- (24) C805070 Reinforced Plastic Products Manufacturing
- (25) C805990 Other Plastic Products Manufacturing
- (26) F101040 Wholesale of Livestock and Poultry
- (27) F101990 Wholesale of Other Agricultural, Livestock and Aquatic Products
- (28) F102020 Wholesale of Edible Fat and Oil
- (29) F102030 Wholesale of Tobacco and Alcohol
- (30) F102040 Wholesale of Nonalcoholic Beverages
- (31) F102170 Wholesale of Foods and Groceries
- (32) F103010 Wholesale of Animal Feeds
- (33) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (34) F106010 Wholesale of Hardware
- (35) F106020 Wholesale of Daily Commodities
- (36) F107070 Wholesale of Veterinary Drugs
- (37) F108040 Wholesale of Cosmetics
- (38) F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (39) F110010 Wholesale of Clocks and Watches
- (40) F113020 Wholesale of Electrical Appliances



- (41) F114010 Wholesale of Motor Vehicles
- (42) F114030 Wholesale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (43) F119010 Wholesale of Electronic Materials
- (44) F121010 Wholesale of Food Additives
- (45) F199990 Other Wholesale Trade
- (46) F201010 Retail Sale of Agricultural Products
- (47) F201020 Retail Sale of Livestock Products
- (48) F201990 Retail Sale of Other Agricultural, Livestock and Aquaculture Products
- (49) F202010 Retail Sale of Feeds
- (50) F203010 Retail Sale of Food, Grocery and Beverage
- (51) F203020 Retail Sale of Tobacco and Alcohol
- (52) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
- (53) F206010 Retail Sale of Hardware
- (54) F206020 Retail Sale of daily commodities
- (55) F207070 Retail Sale of Veterinary Drugs
- (56) F208040 Retail Sale of Cosmetics
- (57) F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
- (58) F210010 Retail Sale of Watches and Clocks
- (59) F213010 Retail Sale of Electrical Appliances
- (60) F214010 Retail Sale of Motor Vehicles
- (61) F214030 Retail Sale of Motor Vehicle Parts and Motorcycle Parts, Accessories
- (62) F219010 Retail Sale of Electronic Materials
- (63) F221010 Retail of Food Additives
- (64) F299990 Retail Sale of Other Products
- (65) F301020 Supermarkets
- (66) F399010 Convenience Stores
- (67) F401010 International Trade
- (68) G801010 Warehousing
- (69) H701010 Housing and Building Development and Rental
- (70) H701020 Industrial Factory Development and Rental
- (71) H701040 Specific Area Development
- (72) H701050 Investment, Development and Construction in Public Construction
- (73) H701060 New Towns, New Community Development
- (74) H703100 Real Estate Leasing
- (75) IZ06010 Tally Packaging
- (76) JA01010 Automobile Repair
- (77) F401161 Tobacco Products Import
- (78) F401171 Alcohol Products Importation
- (79) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.



2) Business Proportion:

Item	Operation proportions in 2022 Ratio (%)
Seasonings	72%
Instant Food	23%
Other	5%
Total	100%

3) The company's main products items

- (1) Monosodium glutamate, high umami monosodium glutamate and flavor seasonings
- (2) Instant noodles, small bowls and large bowls of noodles
- (3) Soy sauce for household use, soy sauce for processing and soy sauce paste
- (4) Conditioning packs of various flavors
- (5) Snack noodles
- (6) Canned and Beverage Products

4) New services and products expected to be developed

- (1) Customized soy sauce products
- (2) Development of non-fried noodle series products
- (3) Conditioning package in large package and conditioning food for the elderly
- (4) Various flavors of instant noodles and instant food

**(2) Industry Overview**

1. Overall Economic Environment and Current Status of the Food Industry

According to the analysis of the food industry in the "ITIS Industry Review - Fourth Quarter and Full Year 2022, and Outlook for the Food Industry in Taiwan," the estimated total output value of Taiwan's food industry for the fiscal year 2022 is approximately NT\$747.8 billion, representing an increase of 8.43% compared to the previous year. The sub-industries with the highest output value include animal feed manufacturing, slaughtering, animal and vegetable oil and fat manufacturing, other meat processing and preservation, as well as animal feed manufacturing, animal and vegetable oil and fat manufacturing, tea manufacturing, uncategorized other food manufacturing, and meal and dish manufacturing, which have all seen growth of more than 10% in output value compared to the previous year.

Analysis from STEP (see table below)

Society	The state of residence and zero contact formed in a world with relatively unfree environment, consumers are eager to go abroad, eager for safety to receive more attention, and eager for a new social atmosphere of interpersonal interaction, coupled with global sustainability, social issues and personal cognition with different conscious feelings and awakenings. The new normal business opportunities formed by new consumer demands and living environment are waiting to be discovered and satisfied.
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Technology	Emphasize the spark of innovation in cross-industry and digital technology integration, deepen the sense of technology, experience and personalization of food, and the potential of scientific and technological investment in the food ecosystem will be deeply tapped.
Economic	In a highly uncertain economic state, regardless of regional economic and trade relations or the movement of new economic sectors, the business opportunity environment and business model will continue to change.
policy	The policy direction and political relationship of various countries, and the concerns and actions on food and global climate issues will continue to be reflected in the new policy norms.

According to the estimation by the ITIS research team of the Food Industry Institute, the projected output value of the food industry for the fiscal year 2023 is NT\$762.9 billion, with a growth rate of 2.02%.

The food industry in Taiwan is a highly mature and highly competitive market. In recent years, the occurrence of food safety incidents has led to insufficient consumer confidence in domestic products. As a result, foreign products have sprung up to enter the domestic market, and market competition has become more intense. Constantly testing the capabilities of operators, urging them to continuously innovate products and implement food safety, and develop products that consumers can trust. The global political economy and operating environment are highly uncertain. Changes in the economic environment include global reopening, economic recession, inflation, interest rate hikes, exchange rate fluctuations, and unpredictable recovery speed after the epidemic. Complex variables such as costs, brand reshuffle, new brands rushing to the market, and commodity prices. According to the World Economic Outlook (WEO) report, the global economic growth rate is forecast to be 2.70% in 2023, and the domestic economic growth rate is estimated to be 2.75% in 2023 according to the Bureau of Accounting and Statistics. According to the estimation of the ITIS team of the Food Institute, imported inflation will increase the import cost of domestic food manufacturers and raise food prices; however, the pressure of life such as the economic environment will reduce some consumers' pursuit of diverse and high-priced foods.

2. The relevance of the industry's upper, middle and lower stream

The food industry is a domestic demand-driven market, and the domestic market is mature and saturated. Compared with other industries, it is a labor-intensive industry. The raw materials needed are affected by domestic and foreign climate, epidemics, economic situations, laws and regulations, preservation conditions, and even policies of other countries. Sometimes excessive fluctuations will have a huge impact on costs. The industry can do little about the situation and decentralize procurement sources and make pre-judgments to adjust purchases or develop new products as a response.

The sales of products in the food industry are mainly through business channels (such as group meals, catering, processing plants, etc.) and modern channels in the home market (such as convenience stores, supermarkets, mass merchandise stores, etc.). Modern channels are limited due to limited shelf space; besides, in recent years, foreign products and the channel's own



brands have been increasing, and some of the channels transformed into compound stores. The shelf space available for display by domestic companies is continuously compressed, and the market competition becomes more intense. In addition, the channel costs are increasing year by year, and product profits are squeezed. In order to avoid the erosion of profits, it is necessary to develop high value-added products. On business channels, because the price is one of the important factors of customer purchase, in order to ensure profits, product development should be tailored to meet different customer needs and reduce direct price competition.

### 3. Trends of products Development

According to observations by the ITIS team of the Food Industry Institute, the global food industry in the fiscal 2023 is centered around the concept of "redefining" and is developing along six major trends: "Transformation - Shaping Meaningful Products," "Low Carbon - Expressing Soulful Tension," "Substitutes - Surpassing the Role of Imitation," "Business Models - Evolving Profit Pools," "Touchpoints - Ubiquitous Channel Activation," and "Survival - A Great Test of Resilience." Food manufacturers need to maintain high flexibility and operational resilience, constantly adjusting to ecological environments and consumer needs. This includes listening to consumer desires and collaborating across industries to create food and services that cater to different demands such as health and leisure, and provide the best experience for consumers. This will encourage consumers to enjoy their purchases even in an unfavorable economic environment. Despite the highly uncertain and competitive industry landscape, food manufacturers can gradually take green improvement actions that are suitable and effective for themselves, such as selecting upstream raw materials, enhancing energy efficiency and using green energy in food processing or distribution, and improving product packaging and recycling. They can also explore new opportunities by utilizing digital tools or implementing direct-to-customer (D2C) models to compete directly with consumers. The enhanced operational flexibility and resilience of domestic food manufacturers in various aspects in the fiscal year 2023 will impact and change the industry's competitive strength in 2023 and beyond.

Under the changing trends of the social environment such as demographic changes, a faster pace of life, and reduced meal preparation time, the use of technology in different fields to create more diverse flavors and convenient lifestyles is a quite obvious trend in the food market. In recent years, Taiwan has been in close contact with Southeast Asia. About 1.22 million new residents, new second-generation and migrant workers from Southeast Asia will change Taiwan's food demand and flavors. According to Euromonitor, an international market research company, the global retail scale of instant meal products is expected to grow to US\$92.1 billion in 2020, with a CAGR of 1.5%. With the evolution of consumer lifestyles in the Taiwanese market, consumers continue to prefer convenient, delicious, exquisite, and high-quality instant meals, resulting in the instant meal market's rapid growth. Coupled with high-density channel deployment, and under the trend of popularity of such restaurants, consumers will increase their habit of buying and eating ready-to-eat food through various channels, which will expand and drive the development of related products. It is estimated that the



country's ready-to-eat meal market will grow at an average annual rate of 5.8% from 2016 to 2020. The above-mentioned data shows that both domestic and foreign instant meal markets have room for high growth. In recent years, Taiwan has been affected by the phenomenon of a declining birthrate, aging, late marriage, and even non-marriage, and the population structure and lifestyle have changed. According to each county and city's household structure table in 2022 from the Department of Household Registration, M.O.I., 5,134,075 households have two people or less, accounting for 56.48% of the total number of 9,089,450 households, or more than half. Small families are most popular, resulting in a continuous increase in the population eating out. According to statistics from the Ministry of the Interior, Taiwan's elderly population (over 65 years old) accounted for 14.1% of the total population at the end of March 2018, which passed the "aged society" threshold of 14.0% defined by the United Nations for the first time. It increased to 17.56% in 2022 totaling 4,085,793 people. In addition, the anti-food additive trend triggered by food safety gradually makes the use of natural materials a trend for products. At present, many domestic companies have tried to adjust their product development strategies in this direction by launching the "Clean Label" project, which seeks to reduce food additives and adopts the product upgrade strategy of using natural ingredients as additives. Some of them focus on products with no fragrance and no coloring for a new image of food to return to the familiar taste of ancient times and emphasize that the product retains the ingredients' original taste. Various manufacturers' moves show that the country's future direction of food development is in line with the international development trend. Consumers value additive-free, natural, healthy, and environmentally friendly food and products with local ingredients to reduce carbon emissions during transportation.

In the face of increasingly difficult challenges and to achieve the company's goals, the company's future product development shall conform to the following trends:

- (1) Simple formula, fewer additives, low calorie, low salt, and low sugar products that meet the health impression.
- (2) Develop products with smaller specifications to meet the needs of small families.
- (3) Research products with upgraded taste, good digestion, and nutritional value suitable for silver-hair group, nursing, and disaster prevention.
- (4) For the different customers of the business market, tailor-make products that meet their needs.

#### 4. Product Competition

The domestic food industry is a mature and fiercely competitive industry. Although domestic players have inherent advantages, as foreign products occupy more and more channel shelves, market competition is becoming fierce. After food safety incidents, the government's food safety regulations are becoming more and more stringent. In order to ensure consumers' confidence in its products, the company has invested a lot of manpower and cost. It has done its best in traceability management for checking food safety to ensure product quality. The equipment is renewed and automated to increase and accelerate production capacity and reduce labor costs.



**(3) Research and Development (R&D)**

1. Outlay & Achievements of Research and development

Year	Outlay	Achievements
		(1) Developing new product flavors
2021	NTD 9,768,911	<p><b>Instant noodles:</b></p> <ul style="list-style-type: none"> <li>▪Bags — Spicy medicinal cuisine flavor, clam seafood flavor, bonito kumbu flavor, vegetable with chicken flavor, sesame soy milk flavor (will be launched in 2022), spicy hot pot flavor.</li> <li>▪Export product — Wine cooked chicken flavor, spicy hot pot flavor.</li> <li>▪Bowls (1100 c.c.) — Wine cooked beef flavor, pomelo pepper flavor, vegetable with chicken flavor, curry laksa flavor, sesame soy milk flavor (will be launched in 2022), spicy beef with kimchi flavor, pickled mustard beef flavor.</li> <li>▪Bowls (750 c.c.) — Pineapple chicken flavor, pineapple clam flavor.</li> <li>▪Non fried noodles — Classic spicy with Sichuan pepper flavor (will be launched in 2022), soybean paste with beef flavor(will be launched in 2022), toona paste flavor(vegan)( will be launched in 2022), pesto sauce flavor, tomato flavor, sesame paste flavor.</li> <li>▪Entrusted with other food companies for original design manufacturer (ODM). Spicy hot pot flavor for KIKIFGSHOP, Japanese-style pork flavor packaged in a paper bowl for A.G.V., Korean army stew pot flavor packaged in a paper bowl for A.G.V.</li> <li>▪Snack noodles — Basil &amp;. toona flavor, teriyaki chicken flavor, garlic flavor, garlic &amp;. shrimp flavor, sour cream &amp;. onion flavor, braised beef flavor, smoked pork flavor, litsea flavor, NENE CHICKEN-cheese flavor, NENE CHICKEN-spicy cheese flavor.</li> <li>▪Noodles — Non-fried pumpkin noodles (wave style) ( will be launched in 2022) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co., Ltd.), Non-fried pumpkin noodles (flat style) ( will be launched in 2022) produced by SUN CHI FOOD CO.,LTD. (pumpkin puree produced by Green TFL Co.,Ltd.), red quonia prince brand snack noodle.</li> <li>▪Improved quality: Raw material modification — S.F.S CO.,LTD.-chilli spice(resin essential oil) 500,000 spiciness. CHAO SU FROZEN FOOD CO.,LTD.- Freeze - drying Mushrooms(spare parts). YIH YUAN FOOD CO.,LTD.- soy protein concentrate ArconT158-172(NON-GMO) MING TEH FOOD INDUSTRY CO.,LTD.- aged bean paste(crushed)(with xanthan gum). TSENG CHUAN CO., LTD.- sesame oil powder((SR-99113). GU WANG FOODS CO.,LTD. - all natural mushroom toona sauce.</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p><b>Flavor Seasoning :</b></p> <ul style="list-style-type: none"> <li>▪IG-Enriched Monosodium Glutamate – Vewong- IG-Enriched plus monosodium glutamate (Export, 500g × 12 boxes) (launched in May 2021).</li> <li>▪OEM products – Formosa Plastics Group.-Monosodium glutamate solution 40~41% (launched in March 2021).</li> <li>▪ Improved quality: Raw material modification – Material Modification: A-one beef flavor seasoning (Export) ( changed beef powder).</li> </ul> <p><b>Fast Foods/Instant Soups :</b></p> <ul style="list-style-type: none"> <li>▪Fast foods – The melody of Hungry cow and Newton, Mapo braised plant-based meat, Taiwanese braised plant-based meat, plant-based meat with Thai basil flavor, curry with plant-based meatballs, curry with fresh mixed mushroom, sweet taro soup (launched in January 2021), assorted basil.</li> <li>▪Hot pot soup bases – Pickled cabbage hot pot soup.</li> <li>▪Instant rice – Rice.</li> <li>▪Vacuum retort pouch – Japanese chashu pork, chicken, beef.</li> <li>▪Porridges – Including porridge with chicken and red quinoa (launched in September 2021), porridge with salmon and red quinoa (launched in December 2021), porridge with pumpkin and red quinoa.</li> <li>▪Large packages – Including sesame oil Hericium Erinaceus (with handmade thin noodles), braised beef noodles soup (with handmade noodles), tomato beef noodles soup (with handmade noodles), sesame oil Hericium Erinaceus (single pack) (launched in December 2021), spicy duck blood.</li> <li>▪Clean label test – Including braised beef brisket, chicken curry, pork curry, beef curry, curry mushroom.</li> <li>▪ OEM Products – Summit Packing Industrial Co., Ltd. – Sesame oil Hericium Erinaceus (launched in November 2021). Royal Chef International Co., Ltd. – Pork intestines fire pot, Mapo tofu sauce. Yanex International Co., Ltd. – Braised chicken with Hua-diu wine. National Kaohsiung University of Hospitality and Tourism – Mushroom pork with Sarcodia suieae, mushroom and mixed vegetables with Sarcodia suieae (send samples and end in January 2021).</li> <li>▪ Improved quality : Storage test – Frozen storage test of ground skinless chicken breast. Raw material modification – Red curry chicken (paprika powder from Tomax enterprise), Zesauto-sauce (changed soy sauce), tomato paste and tomato ketchup (comat changed to Kagome), stewed chicken with taro (domestic soybean puree), seaweed tofu cup soup (paper cup), vegetarian instant laver soup (FD-Celery).</li> </ul>





Year	Outlay	Achievements
		(1) Developing new product flavors
		<p><b>Green TFL Co., Ltd. :</b>                      ODM products –                      ■Green TFL Co., Ltd. –                      TFL products –, TFL Taiwan Soy paste(launched in March 2021), TFL Dragon fruit paste, TFL Pumpkin paste(launched in March 2022).                      ■TFL beverages –                      Soy drink with Oat and Mixed nuts, Soy drink with Chestnut, Vegetable soybean drink, Vegetable soybean puree soup, Taiwan Soy drink, Soy drink with amazake,  <b>Soy sauce :</b>                      ■ Non-GMO brewing soy sauce –                      XO soy sauce– Amazake flavor(396mL)(launched in January 2021), XO soy sauce–Shaoxing flavor(396mL), KIM VE WONG soy sauce(Non-GMO 150mL), <b>All-purpose braising</b> sauce(black tea flavor), XO soy sauce–Burdock flavor, XO soy sauce–Fortune Aroma Liqueur(Rose flavor, Butterfly Ginger flavor, Jasmine flavor), XO soy sauce–Wine flavor, Soy sauce–Red Barley flavor, Soy sauce–Red Barley flavor(secondary fermentation), Non-GMO aged brewed soy sauce.                      ■Institutional packaging soy sauce –                      KIM VE WONG soy sauce(5L &amp; . 20L) (Non-GMO), Non-GMO soy sauce – (Total nitrogen 1.5&amp;. 1.7)5L &amp; . 20L, GMO soy sauce – (Total nitrogen 1.4&amp;. 1.5&amp;. 1.7) 5L &amp; . 20L.                      ■Thick soy sauce –                      XO×2021 Plum dipping sauce (launched in January 2021), Spicy thick soy sauce, Thick soy sauce (Wine flavor), Thick soy sauce (Amazake &amp;.orange flavor), All-purpose sauce, Sanbeiji sauce (vegetarian), Kung Pao Sauce, Turmeric &amp;. Ginger Sauce.                      ■Non-GMO moromi soy sauce –                      Moromi Barbecue sauce(curry flavor), Fruity-spicy moromi sauce(pineapple flavor), Spicy moromi soy sauce, Moromi soy sauce(red barley flavor), Moromi soy sauce(buckwheat flavor), Braised moromi soy sauce(black tea flavor), Moromi soy sauce(burdock &amp;. wolfberry flavor).                      ■ Original equipment manufacturer (OEM) –                      SAN JING FROZEN FOOD–Seasoning soy sauce (Non-GMO Fu No.66) (20L) (launched in January 2021), PING ROUN seasoning soy sauce (Clean Label), PING ROUN seasoning soy sauce (No.B3 &amp;. No.B4 &amp;. Xin Ping No.2 )(remove sweetener).                      ■Fermentation test –                      Non-GMO soy sauce (fermentation by red adlay), Non-GMO aged brewed soy sauce test, Research project (<i>National Taiwan University</i>).                      ■Improved quality: Raw material modification –                      Glycine and Sorbitol and Acetylated distarch adipate (Increase a new supplier), Product design changed ( Fung No.4, Wu No.3, Xin No.3, Yu No.1, Yu No.2, Yu No.3, Liu No.3, Wei No.33, Luo No.3) 20L.                      ■Others – Institutional packaging seasoning soy sauce.</p>



Year	Outlay	Achievements
		(1) Developing new product flavors
2022	NT\$ 7,933,117	<p><b>Instant noodles:</b></p> <ul style="list-style-type: none"> <li>▪Bags- Sesame soy milk flavor (small volume production in February 2022), spicy chinese herbs flavor (vegan), spicy hot pot flavor, sour bamboo shoots with chicken flavor, sweet and sour soup flavor, beef with tomato flavor.</li> <li>▪Bowls (1100 c.c.)- Sesame soy milk flavor (small volume production in February 2022), curry laksa flavor, sour bamboo shoots with beef flavor.</li> <li>▪Big Bowls - Including retort pouch : braised beef flavor, garlic pork flavor, sesame oil Hericium Erinaceus flavor, spicy beef hot pot flavor, Italian tomato flavor, black pepper pork flavor, braised pork flavor, pickled mustard greens with beef flavor. Without retort pouch : dried noodles of hot and spicy flavor (include seaweed soup), dried noodles of satay with shrimp flavor, soup of hot and sour shrimp flavor, dried noodles of takoyaki flavor .</li> <li>▪Non-fried noodles- Classic spicy with sichuan pepper flavor (launched in May 2022), soybean paste with beef flavor (launched in May 2022), vegan- toona paste flavor (launched in May 2022), pesto sauce flavor, sesame paste flavor, chicken curry flavor (including retort pouch), Thai-style braised pork flavor (including retort pouch).</li> <li>▪Entrusted with other food company for original design manufacturer (ODM)- GOFRESH ENTERPRISE CO., LTD - seafood tonkotsu ramen flavor (Bowls/1100 c.c.), yuzu shio ramen flavor (Bowls/1100 c.c.), mapo tofu ramen flavor (Bowls/1100 c.c.). GREAT GIANT SUN CO. - whisky &amp; wine cooked chicken flavor (Bowls/1100 c.c.), whisky &amp; pork chops in chinese herbs flavor (Bowls/1100 c.c.), whisky &amp; hot spicy artificial soybean paste flavor (dried noodles/ 750 c.c. bowls), whisky &amp;. sesame oil chicken flavor (Bowls/750 c.c.). SAN GU MAO LU Restaurant - instant noodles. Veggienius Restaurant - instant noodles, non-fried noodles. HOWSLER FOODS CO., LTD. - instant noodles.</li> <li>▪Snack noodles - Prince snack noodles - basil with toona flavor (launched in May 2022), teriyaki chicken flavor (launched in May 2022), sour cream with onion flavor, braised beef flavor, smoked pork flavor, spicy chicken flavor, spicy flavor, takoyaki flavor,. NENE CHICKEN-cheese flavor (launched in April 2022), spicy cheese flavor (launched in April 2022). CHARMING FOOD INTERNATIONAL MARKETING CO., LTD: Snack noodles co-branding (mass production in October 2022).</li> <li>▪Export - Bags of instant noodles export to U.S. -Spicy hot pot flavor, chicken with rice wine flavor (will be launched in June 2023), spicy beef with pickled mustard greens flavor (will be launched in June 2023), stewed</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>ribs with chinese herbs (will be launched in June 2023).</p> <ul style="list-style-type: none"> <li>▪Improved quality: Raw material modification-  ZIMI CHEMICALS CO., LTD. – salt (spare part).  NIKKEN FOODS TAIWAN CO., LTD. –replacement of soy sauce powder (A-318).  YIH YUAN FOOD CO., LTD. - replacement of mushroom powder (MW-12833).  HONHSIANG FARM PRODUCTS FACTORY - toona sinensis powder (spare part).  GEM FONT CORPORATION - wheat gluten (spare part).  Ve Wong CO., LTD. - sunflower oil A-ONE (spare part).  Export to EU and AU - complies with regulations in EU (ingredient).  Instant noodles export to EU - complies with regulations in EU (ingredient), using non-irradiation and non-EtO (ethylene oxide) of raw material.  UNION FOOD CO., LTD – replacement of guar gum.  Chili powder (13054S) for SAN E FOODS INGREDIENTS CO., LTD. - priority used in export to EU, and as a spare part for other export countries.  Instant noodles (bowls)(exports) - replacement of 750 c.c. paper bowl.  Beef flavor instant noodle (bag)(export products, U.S. included) – improvement of formula ingredient.  Streamlining of formula : broad bean paste with chili (contain xanthan gum) for MINGTEH FOOD INDUSTRY CO., LTD., sweet bean paste (contain xanthan gum) for MINGTEH FOOD INDUSTRY CO., LTD, Toona sinesis soybean paste (glutinous rice flour) for GU WANG FOOD INDUSTRY CO., LTD. <p><b>Flavor Seasoning :</b></p> <ul style="list-style-type: none"> <li>▪ Improved quality:  Ve Wong CO., LTD.- IG-Enriched plus monosodium glutamate (Export, 500g × 12boxes) (formula ingredient).  VEDAN Enterprise Corporation - monosodium glutamate (XFM grade) (new specification).</li> </ul> <p><b>Fast Foods/Instant Soups :</b></p> <ul style="list-style-type: none"> <li>▪Fast Foods—  Milkfish fillet with curry, milkfish fillet with bamboo shoots.</li> <li>▪Porridges—  Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa, porridge with milkfish belly.</li> <li>▪Large Packages—  Milkfish belly with bamboo shoots, spicy soup with duck blood &amp;. tofu.</li> <li>▪ Retort pouch (combine noodles with it) —  Big bowls of instant noodles: Braised beef, braised pork chop, peanuts and chili beef, pickled mustard green package, garlic tonkotsu, sesame oil Hericium Erinaceus.  Dried noodles : Italian tomato, black pepper pork.  Non-fried noodles : Chicken curry, pork with Thai basil.</li> <li>▪Seaweed soup—</li> </ul> </li></ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>Laver seaweed.</p> <ul style="list-style-type: none"> <li>▪ OEM Products – <ul style="list-style-type: none"> <li>NIANG JIA – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa.</li> <li>Royal Chef International Co., Ltd. – Pork intestines fire pot, mapo tofu sauce.</li> <li>Vedan Enterprise Corporation – Yipin beef (mass production in May 2022), Gipin braised beef (mass production in June 2022).</li> </ul> </li> <li>▪ OEM Products (TFL) – <ul style="list-style-type: none"> <li>TFL products – TFL pumpkin paste (launched in March 2022), TFL soy paste in refrigeration (launched in November 2022), almond paste, TFL snow fungus paste, TFL cashew nut paste, TFL cooked cashew nut paste, TFL agaricus mushroom residue paste, TFL sweet plum paste, cashew nut plant-based mayonnaise, TFL roselle paste, TFL angelica medicinal cuisine, TFL soy paste (sesame oil and ginger flavor).</li> <li>TFL beverages – soy drink with jujube and walnut (will be launched in 2023), soy drink with amazake, soy drink with agaricus mushroom residue, soy drink (heavy concentration), black soy drink with black sesame and black rice, soy drink with black sesame and husked rice (add to snow fungus paste), TFL whole vegetable and fruit juice, almond and brown rice plant-based drink for Leezen.</li> </ul> </li> <li>▪ Certification of products – <ul style="list-style-type: none"> <li>Clean label (launched in March 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa, pumpkin soup, sweet taro soup.</li> <li>Eatender (launched in June 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa.</li> </ul> </li> <li>▪ Improved quality : Raw material modification (spare part) – <ul style="list-style-type: none"> <li>TOMAX ENTERPRISE CO., LTD.-ginger powder.</li> <li>JOFONT BIOTECHNOLOGY CO., LTD.- Clovetree Twig, black pepper granule.</li> <li>Add beef shank in Paraguay.</li> <li>Mowi Taiwan Co., Ltd.- salmon.</li> <li>Taiwan Kagome Co., Ltd.- tomato paste.</li> <li>Soybean oil (new specifications of packing).</li> </ul> </li> </ul> <p><b>Soy Sauce :</b></p> <ul style="list-style-type: none"> <li>▪ Non-GMO brewing soy sauce – <ul style="list-style-type: none"> <li>HOUSE WIFE soy sauce (Non-GMO 780mL) ( launched in June 2022), NIANG JIA red mold rice soy sauce (300mL) (will be launched in 2023), Taiwanese lu wei soy sauce, XO soy sauce—burdock liqueur, XO soy sauce—fortune Aroma Liqueur (rose, jasmine, butterfly ginger ), XO soy sauce— series of wine.</li> </ul> </li> <li>▪ Institutional packaging soy sauce – <ul style="list-style-type: none"> <li>Non-GMO soy sauce— Total nitrogen 1.5(5L &amp; . 20L), Non-GMO soy sauce— Total nitrogen 1.7(5L &amp; . 20L), GMO soy sauce— Total nitrogen 1.4(5L &amp; . 20L), GMO soy sauce— Total nitrogen 1.5(5L &amp; . 20L), GMO soy sauce— Total nitrogen 1.7(5L &amp; . 20L).</li> <li>Clean Label— Pure brew soy sauce, Clean Label— KIM VE WONG soy sauce, Clean Label— HOUSE WIFE soy sauce.</li> </ul> </li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<ul style="list-style-type: none"> <li>▪ Non-GMO thick soy sauce – Spicy thick soy sauce (will be launched in 2022), NIANG JIA red mold rice thick soy sauce(300mL) (will be launched in 2022).</li> <li>▪ Non-GMO seasoning soy sauce – All-purpose barbecue sauce, all-purpose barbecue sauce (red mold rice flavor).</li> <li>▪ Institutional packaging seasoning soy sauce – T-HAM Non-GMO light color soy sauce(20L), T-HAM Non-GMO dark color soy sauce(20L).</li> <li>▪ Improved quality – Streamlining of formula : PING ROUN seasoning soy sauce(No.B3 &amp; No.B4 &amp; No.Xin Ping 2 )20L(remove sweetener) (launched in March 2022). Raw material modification : GEM FONT CORPORATION (sorbitol 70%), SAN E FOODS INGREDIENTS CO., LTD. (glycine).</li> <li>▪ Others – Export for Large package – LKK soy sauce, LKK soy sauce (gluten free).</li> </ul>
2023 Jan.~Apr.		<p><b>Instant Noodles :</b></p> <ul style="list-style-type: none"> <li>▪ Bags-Beef with tomato flavor, spicy miso flavor.</li> <li>▪ Bowls (1100 c.c.)-Curry laksa flavor.</li> <li>▪ Big Bowls - Including retort pouch : Braised beef flavor, garlic pork flavor, spicy beef hot pot flavor, Italian tomato flavor, black pepper pork flavor, braised pork flavor, pickled mustard greens with beef flavor. Without retort pouch : Dried noodles of hot and spicy flavor, dried noodles of satay with shrimp flavor, hot and sour soup of shrimp flavor, dried noodles of takoyaki flavor, century egg with garlic flavor .</li> <li>▪ Non-fried noodles- green pepper with sesame paste flavor, chicken curry flavor (including retort pouch), Thai-style braised pork flavor (including retort pouch).</li> <li>▪ Entrusted with other food company for original design manufacturer (ODM)- GOFRESH ENTERPRISE CO., LTD - seafood tonkotsu ramen flavor (Bowls/1100 c.c.), yuzu shio ramen flavor (Bowls/1100 c.c.), mapo tofu ramen flavor (Bowls/1100 c.c.). GREAT GIANT SUN CO. - whisky &amp; wine cooked chicken flavor (Bowls/1100c.c.) (will be launched in September 2023), whisky &amp; pork chops in chinese herbs flavor (Bowls/1100 c.c.) (will be launched in September 2023). SAN GU MAO LU Restaurant - instant noodles. Veggienius Restaurant - instant noodles, Non fried noodles. HOWSLER FOODS CO., LTD. - instant noodles. The Master International Catering Marketing Co., Ltd. - instant noodles. DAJIA NOODLES ORIGIN CO., LTD. - instant noodles.</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<ul style="list-style-type: none"> <li>▪Snack noodles - Prince snack noodles - sour cream with onion flavor, braised beef flavor, smoked pork flavor, spicy chicken flavor, spicy flavor, takoyaki flavor, Thai style hot and sour flavor.</li> <li>▪Export - Bags of instant noodles export to U.S. - chicken with rice wine flavor (will be launched in June 2023), spicy beef with pickled mustard greens flavor (will be launched in June 2023), stewed ribs with chinese herbs (will be launched in June 2023). Original Design Manufacture (ODM) (bags of instant noodles export to Panama) – Rika beef flavor (launched in April 2023), Rika shrimp flavor (launched in April 2023), Rika chicken flavor (launched in April 2023).</li> <li>▪Improved quality: Raw material modification- KUNG-FU braised beef flavor instant noodle (bowl) export to France – complies with regulations in EU (ingredient). JOFONT BIOTECHNOLOGY CO., LTD. – replacement of cinnamon powder (NO.4) (food irradiation). FENG KING CO., LTD. – change the country of origin of maltodextrin . HONHSIANG FARM PRODUCTS FACTORY – scallions (AD) (spare part). Vegetarian flavor instant noodle (bowl) export to France –complies with regulations in EU (ingredient).</li> </ul> <p><b>Fast Foods/Instant Soups :</b></p> <ul style="list-style-type: none"> <li>▪Fast Foods – Milkfish fillet with curry.</li> <li>▪Porridges – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa, porridge with milkfish belly.</li> <li>▪Large Packages – Milkfish belly with bamboo shoots.</li> <li>▪ Retort pouch (combine noodles with it) – Big bowls Of instat noodles: Braised beef, braised pork chop, spicy beef, garlic tonkotsu, pickled mustard green. Dried noodles : Italian tomato, black pepper pork. Non-fried noodles : Chicken curry.</li> <li>▪OEM Products – NIANG JIA – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa.</li> <li>▪ Certification of products – Clean label : NIANG JIA - Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa. Eatender : NIANG JIA - Porridge with chicken and red quinoa, porridge with vegetables and red quinoa.</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<ul style="list-style-type: none"> <li>▪ODM products(TFL)– TFL beverages– Soy drink with jujube &amp; walnut (launched in March 2022), almond and brown rice plant-based drink for Leezen (910mL), walnut and brown rice plant-based drink for Leezen (910mL).</li> <li>▪ Improved quality – Corn flakes and dried mushroom : Raw material testing.</li> </ul> <p><b>Soy Sauce :</b></p> <ul style="list-style-type: none"> <li>▪ Non-GMO brewing soy sauce – NIANG JIA Red mold rice soy sauce (500mL) (will be launched in June 2023)</li> <li>▪ Non-GMO thick soy sauce – NIANG JIA red mold rice thick soy sauce (500mL) (will be launched in June 2023), spicy thick soy sauce, mala spicy thick soy sauce.</li> <li>▪Non-GMO seasoning soy sauce – All-purpose Barbecue sauce , All-purpose barbecue sauce (red mold rice flavor), barbecue sauce (ginger flavor), barbecue sauce (miso flavor).</li> <li>▪Institutional packaging seasoning soy sauce – Clean Label – PING ROUN seasoning soy sauce (No.B3 &amp; No.B4 &amp; No.Xin Ping 2 )</li> <li>▪Others – Export for Large package – LKK soy sauce.</li> </ul>

## 2. Research and Development Plan for Future

- (1) Establishing and improving each product's core technology, developing new value-added products with delicious, healthy, and food safety.
- (2) Soy sauce new production equipment, researchers reduce the cleanliness to upgrade of additives with natural ingredients, cooperating with well-known food manufacturing and business to business for "customer-oriented approach" customized products and provide customer education and training to make soy sauce unique, innovative, taste and flavor for the market demand and increase the company's profits.
- (3) Due to demand marketing of instant noodles, new production equipment of large bowl instant noodles, new products use exclusive formula with retort pouch to enhance convenience, tasty, healthy and food safety. As the core concept, using Little Prince brand to create product value, innovation and optimization with diversity.
- (4) Fast food has upgraded equipment, forward simple formula or clean label products and diversified packaging to facilitate families for fast junkies or short-term storage. Research natural, nutritious, healthy and tasty products of the Taiwanese braised dish.
- (5) Create a win-win situation producing co-branded matchmaking from food industry.
- (6) To seek suitable employees to cultivate, stimulate creative abilities and innovate products making sustainable development.
- (7) Implement the "World Global Village Concept," environment protection, waste reduction, and love for the earth.

Note: The publish dateline on 30<sup>th</sup> April, 2023.



#### **(4) Long And Short-Term Business Development Plans**

##### 1.Short-term business development plan

- 1) Adjusting production capacity, outsourcing, outsourcing and importing in response to the epidemic situation to meet the rapidly changing needs of channels and consumers.
- 2) Improve product quality and increase consumers' sense of identity with the company.
- 3) Develop high value-added products to increase the company's profitability.
- 4) Deeply cultivate the modern channels, increase the opportunities for new products to be put on the shelves, in order to improve the performance.
- 5) Develop products that meet the packaging specifications sold by e-commerce channels to cope with the rapid development of e-commerce.
- 6) Actively operate a social platform to bring the young people closer.

##### 2.Long-term business development plan

- 1) Brand management to increase consumers' favorability of the company.
- 2) Strengthen to cooperate with distributors, and create partnerships with distributors to create a win-win situation.
- 3) Expand foreign trade and increase the export scale of products.
- 4) In response to the phenomenon of an aging society, declining birthrate and ethnic diversity, as well as uncertain epidemics and food safety panic, to develop products that meet taste needs and health care.
- 5) Improve and expand factory equipment so that it has the ability and potential to produce products that meet the market and future needs, so as to expand business and reduce production costs.
- 6) Participate in social welfare activities and fulfill corporate social responsibilities.





## 2. Market and Sales Overview

### (1) Market Analysis

#### 1. Sales Percentage of the Company's Major Products

Major Product Categories	2022	2021
Seasonings	72%	69%
Instant Food	23%	26%
Others	5%	5%
Total	100%	100%

#### 2. Sales Target for 2023

Unit: Thousand NT\$

Product Categories	Sales target	
	Domestic sales	Export
Seasonings	4,547,643	88,326
Instant Food	1,335,975	215,340
Others	315,746	7,689
Subtotal	6,199,364	311,355
Total	6,510,719	

#### 3. Sales Region

Domestic market: The sales channels are all over Taiwan.

Foreign markets: The products are distributed on all five continents, but mainly in Southeast Asia, Europe and the United States.

#### 4. Future market overview

“Food” is a necessity of people's livelihood. Although there are differences in different categories and different seasons, the market demand will still be more stable than other non-food items.

Taiwan’s declining birthrate and aging society has caused changes in the family structure, and double-paying families are common. Coupled with the rise of consumer health awareness and other factors, products with the attributes of being natural, local, fresh, organic, healthy, nutritious and delicious, convenient and fast are future product development trends. After integration and refinement, the company's instant noodles, dim sum noodles, soy sauce, prepared fast food, instant soups, red wines and other series of products are still very marketable in the future. Products such as new-style condiments, instant noodles with a variety of tastes, and new products developed to meet the needs of Chinese New Year dishes and gift-giving can better meet consumers' needs.

#### 5. Competitive Niches

The company has been established for 63 years, and its brand awareness has been deeply rooted in the country. Domestically, it has a stable financial status and an excellent domestic and foreign management team and the advantage of leading the market in fermentation equipment and production technology, as well as competitive niches such as business offices and logistics distribution systems all over Taiwan. No matter in the city, countryside or deep



mountain, every family can in a short time enjoy all kinds of high-quality, safe, convenient and delicious food carefully prepared by Ve Wong with professional and social responsibility. In the future, when cross-border online transaction regulations become more mature, our high-quality products can be brought to every corner of the world.

## 6. Favorable and Unfavorable Factors in the Long Term

### Favorable factors:

- (1) The company continues to improve its quality and operating procedures and personnel integration to save expenses and reduce costs to enhance product sales competitiveness and increase the company's overall profit.
- (2) The company actively reforms its systems; in addition to the renewal of its production equipment, automation, and business rectification, the company is actively involved in other businesses with market development potential, which will help the company's long-term stable operation and future development.

### Unfavorable Factors:

- (1) The price of raw materials and energy fluctuates rapidly, and the company's control over them is weak. In the event of a long-term sustained and large price increase, as it cannot be passed on to consumers immediately, the company needs to absorb it by itself, increasing the manufacturing costs and eroding the company's overall operating interests.
- (2) The competition in the industry is fierce, and competitors' strong publicity and launch of new products to seize the market have impacted the room for survival of the company's products.

### Response Strategies for unfavorable factors:

- (1) Continue to strengthen research and development or introduce domestic and foreign "differentiated" new products with the market potential to create profits and adjust the sales proportion of high-margin products to maintain a continuous growth of mature and profitable products.
- (2) Strengthen the marketing planning function, make good use of emerging social media, rebuild brand positioning and popularity, and use brand management to indirectly enhance the company's corporate image, shape product attraction, and attract the favor of consumer groups.
- (3) Integrate business, marketing and research and development, adopt self-production, separation of production and sales, and import to launch products under the most favorable conditions to promote business performance and consolidate the market.

## 7. Ve Wong's Market Strategies and Actions

Facing the increasingly severe business environment of the food industry, the company will reposition its products, increase product value, reduce production costs, develop new niche products, expand new channels and marketing models, and actively strengthen channel commercialization activities, to grasp business opportunities and create a better business performance.



With the changes in population structure and lifestyles, the population of eating out continues to grow. The demand for household seasonings has decreased year by year, and the number of packaging types has also decreased, but the diversification increased. Among them, the household market, the main customer of Ve Wong MSG, is declining. On the one hand, in addition to maintaining sales in the traditional market, in recent years, Ve Wong MSG has actively strengthened its equipment, quality improvement and market expansion of the second and third generation seasonings, and continued to lock in the large-consuming restaurant meal and food processing business channels for deep cultivation and management; it also actively extends its products into household flavor seasonings with different tastes and different specifications. In addition to strengthening the promotion of soy sauce for business use, the company is actively developing non-genetically modified soy sauce on existing channels. It has successively launched products such as “XO Soy Sauce,” “Anka XO Soy Sauce,” “Mushroom Flavor Thick XO Soy Sauce,” “Chinese toon Basil flavor Thick XO Soy Sauce,” and other pure brewing high-quality soy sauce series products, so as to strengthen brand management to win consumer recognition, and increase the overall market share, turnover and profit.

The instant noodle battlefield continues to face soaring production costs and fierce impact from all parties. In order to consolidate and increase the market share of instant noodles, in addition to its continuous quality improvement efforts, Ve Wong has resolutely carried out production line automation, equipment purchases and noodle quality improvement to ensure the market leadership of stewed noodles. In addition, a variety of new products have been launched for the “Big Eater” bowl noodle series to satisfy consumers who like diverse tastes. Furthermore, we will strengthen the commercial display in the stores and continue to promote tasting activities in the stores in order to strive for stable growth in an environment of intense competition.

In order to diversify snacks and cater to consumers' health-conscious needs, products with a less salt recipe have been developed for the Little Prince series and have already been launched.

In addition to consolidating the original leading brand of the risotto series, Ve Wong Conditioned Food Pack further develops its products in the direction of diversified tastes, high added value, and light food for health, and launched the "Ve Wong Quinoa Porridge", promote the conditioning package to meet the needs of consumers at all stages, aiming to create the first brand of room temperature conditioning food.

In addition to the product categories above, in order to expand the company's overall turnover and profit and operate different channels, Ve Wong selects and introduces a variety of foreign high-quality “red wines” for sale in Taiwan through the recommendation of market experts. They are deeply loved by the target groups and have laid a good foundation for Ve Wong’s wine channel operation.

Facing the severe test of the macro environment, every step is indeed full of arduous challenges. However, with the strengthening of R&D and innovation, active business diligence, and continuous marketing efforts, we hope to serve the public with delicious and healthy products and stride toward the dual goal of creating revenue and increasing the overall profit.



## **(2) Main applications and production process of major products**

### **1. Major Products and Their Main Uses**

#### **(1) MSG**

The common name of MSG is Mono-Sodium Glutamate. MSG is not only a nutrient, because of its delicious taste, but it has also long become the most popular condiment in food processing and daily meals. Ve Wong MSG has obtained ISO-9001 and ISO22000 certification and is a leading brand both at home and abroad (exported to more than 70 countries in the world). The company has successively worked with Japan Kyowa Hakko Kogyo Co., Ltd. and Japan Ajinomoto Co., Inc. for technical cooperation.

The Ig-Enriched Monosodium Glutamate, A-One Plus MSG, and flavor seasonings contain nucleotides. With just a little bit, they can show the flavor of seafood, chicken soup, mushrooms, and pork bones to make the food flavor better, suitable for both meats and vegetables.

And the flavor seasoning of "Eat in the right taste" is a new generation of seasoning innovation, which is convenient for cooking and can be done with one spoonful, without the need for additional salt and monosodium glutamate. The product design is based on the principle of simplification of the formula, not only the raw materials are strictly selected, but also no preservatives, sweeteners, and modified starches are added. Whether it is fried, boiled, stir-fried, braised and other dishes, as long as a small spoon, you can lock the natural and flavor of the ingredients and prepare a table full of fresh, sweet and healthy flavors.

#### **(2) Instant noodles**

Whether instant noodles are safe and hygienic is related to the correct use of fat and preservation methods. Therefore, instant noodles must be made with refined edible oil with good stability. The finished product must not be exposed to high temperature or sunlight but must be stored in a cool and dry place to avoid adverse changes. Once opened, it must be eaten as soon as possible. Nutrition experts suggest that people who often eat instant noodles should add eggs, shredded pork, and greens together. This will not only enhance the flavor but also give balanced nutrition and fiber. In addition, the well-known Prince Noodles are instant noodle snacks, a favorite of adults and children. The company subsequently launched many delicious and convenient products such as "Little Prince Noodles," "Prince Stewed Noodles," "Classic Eatery" series, "Chiaoshizhai" series, "Ve Wong Dried Noodle Master" and "Big Eater" series, all of which have set off a buying rush.

#### **(3) Instant soups**

Ve Wong Seaweed Soup is a nutritious soup seasoned with natural nourishing laver and bonito shavings. It contains rich amino acids, protein, etc. necessary for the human body and is loved by consumers, office workers and military personnel. It has stable growth. In order to cater to the needs of vegetarians, Ve Wong has also offered the laver soup for them. In order to increase the richness and convenience, we have also introduced ready-to-drink cupped soups of Laver and Tofu for convenience.



(4) Conditioned foods

In addition to the braised beef brisket, mushroom pork stew, curry chicken, red curry chicken, braised pork with tender bamboo shoot, curry pork, curry beef and black pepper pork of Ve Wong's pre-cooked fast foods of Chinese style series which have been deeply loved by consumers, to meet the trend of the new generation, the company has successively launched the vegetarian series -"Vegetable Stew" and "Curry Stewed Mushroom" to provide vegetarians with delicacies. It is actively developing new year dishes such as Sesame Oiled Hericium Erinaceus. They are convenient to store and carry, ready to eat and economical, and suitable for lunch, home leisure, outing, mountaineering, camping, hiking, gifts, worshipping, sailing, domestic and foreign travel, and storage during typhoons. They are indeed the most convenient instant delicacy for modern life.

(5) Soy sauces

According to the different brewing and processing methods, soy sauce can be divided into pure brewing, non-pure brewing, thick soy sauce, light soy sauce, and pot bottom oil. Only by using soybean and wheat as raw materials, coupled with good brewing conditions and equipment and strict quality control, can we produce a good soy sauce with excellent color, smell, and taste.

Ve Wong's series of soy sauce is not only of high quality, delicious and mellow, but is especially unique in that it is brewed in a closed indoor temperature-controlled ferment tank with the best sanitary management conditions. It is not contaminated with dust or dirt during the manufacturing process so consumers can enjoy it at ease. The well-known brands are Kim Ve Wong and Fuyou Soy Sauce. In addition, the company has successively developed XO Rarity Brand Soy Sauce, Thick XO Soy Sauce Series, Aged Soy Sauce, Brewed Soy Sauce, Zhen Gong Brewed Soy Sauce, Anka XO Soy Sauce, Royal Soy Sauce, Fuyou premium Soy Sauce, Sweet Soy Sauce... etc. which are all the best soy sauces for cooking and dipping to instantly activate your taste buds and are delicious and healthy.

(6) Canned beverages and snacks

Ve Wong beverage products mainly include Asparagus Dew, Mineral Water of cupped water; the canned product including canned peanuts and gluten; the snack includes the eight-treasure porridge. There are various packaging types such as iron cans, PP cups, and PET bottles. The packaging container is an indispensable companion when you are thirsty or hungry or when eating.

(7) Rice products

Saigon Ve Wong uses high-quality rice from the Jiulong River Plain in Vietnam and the unique water quality in the south for production. There are two types of rice products, pho, and Kueyteow based on the shredded size. The pho is shredded 4mm wide and made 100% of rice, and the texture tastes soft; the Kueyteow is 2.5mm wide with selected local starch added, and the texture is elastic. Both of them are very popular among consumers; when fresh pho and Kwayteow are not available, rice products are the best choice.

The pho products currently include Shacha beef flavor, chicken flavor, shrimp and crab flavor, and vegetarian flavor. The Kueyteow products have minced pork and vegetarian flavors.



(8) Soup powders

Saigon Ve Wong's soup noodles mainly use the natural unrefined sea salt in Vietnam as raw materials; they are rich in minerals and deeply loved by consumers. They have a special flavor when used for dipping fruits and seafood. They can also be used for cooking and seasoning, and have a good flavor whether fried, boiled, stir fried or braised.

The current products include fresh shrimp flavor, chicken flavor, minced pork flavor and iodized chicken flavor.

(9) Adhesive film for food processing

Summit Packing Industrial Co., Ltd. uses a variety of printing methods, and the products are divided into instant noodle packaging films, high-temperature resistant processing films, cold food films, frozen food films and other special-purpose films according to their use. Mainly used by food processing plants.

(10) Refined raw materials of agricultural products/drinks

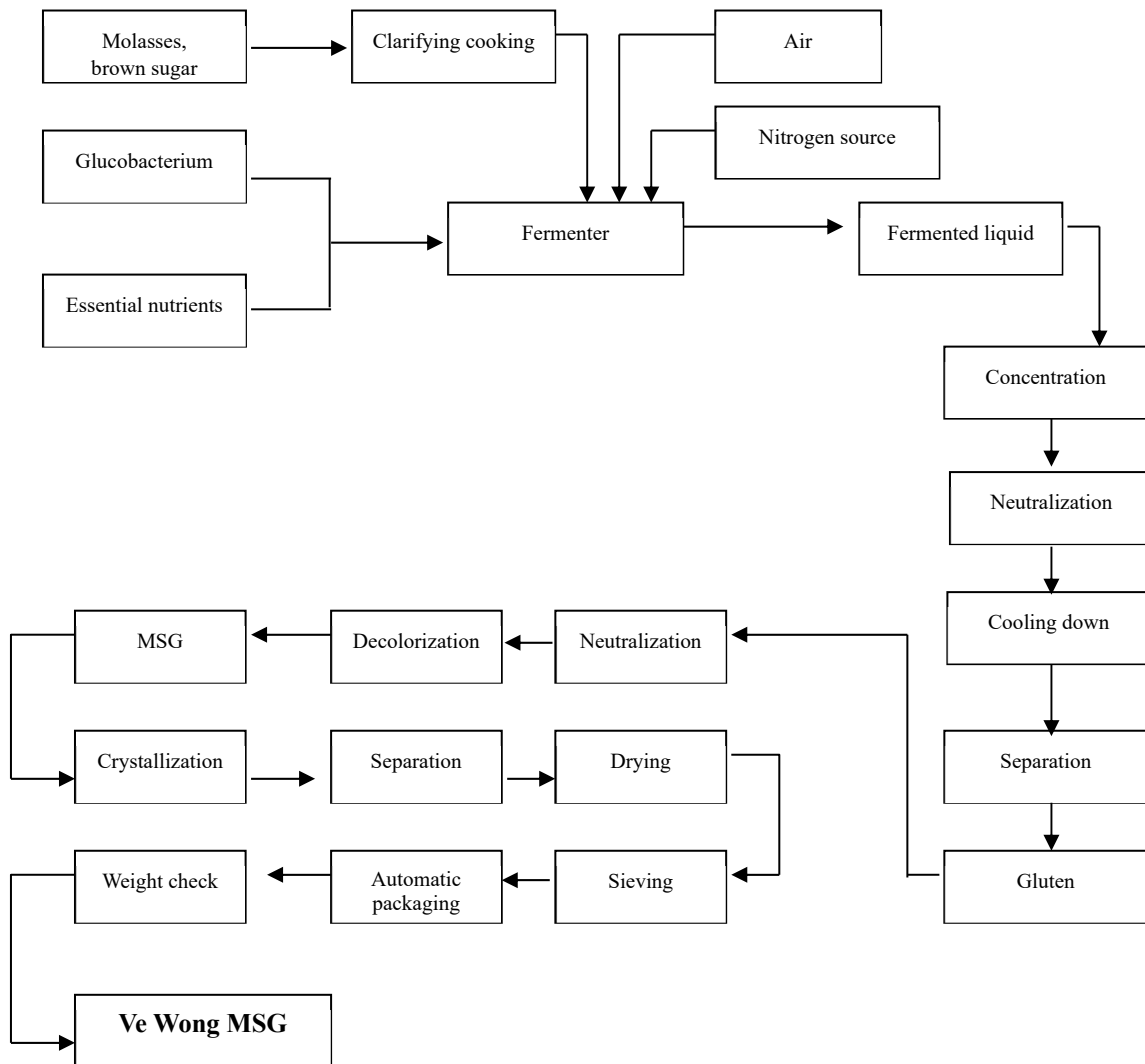
Green TFL Co., Ltd. uses the Total Food Liquefaction (TFL) technology, a brand-new patented food processing technology that can fully utilize ingredients. Even inedible parts can be refined into an edible and delicious state without adding any chemicals and additives. In the production process, the nutrients are protected from being destroyed, and all the natural nutrients of the ingredients are retained. This unique technology is patented by the European Union, Australia, Taiwan, China, Japan and South Korea.

TFL technology can choose whether to break the cell wall or not according to the food's different characteristics and effects. At present, for household products, in addition to whole-bean milk, our main business products include refined soybean puree, refined pumpkin, refined purple sweet potato, refined brown rice...etc. for food processing plants.



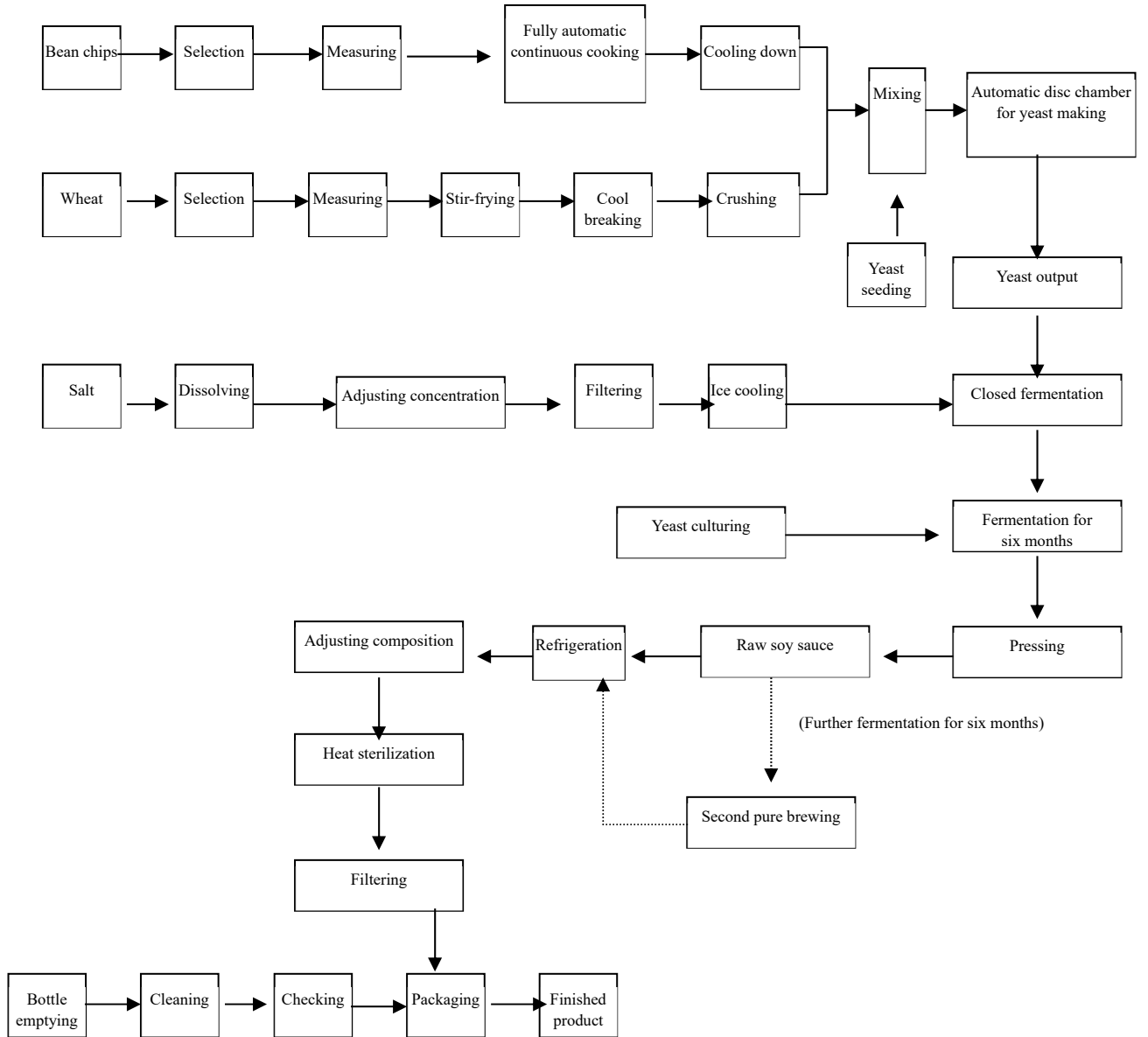
**(3)Products Manufacturing Process**

**Ve Wong MSG Manufacturing process**





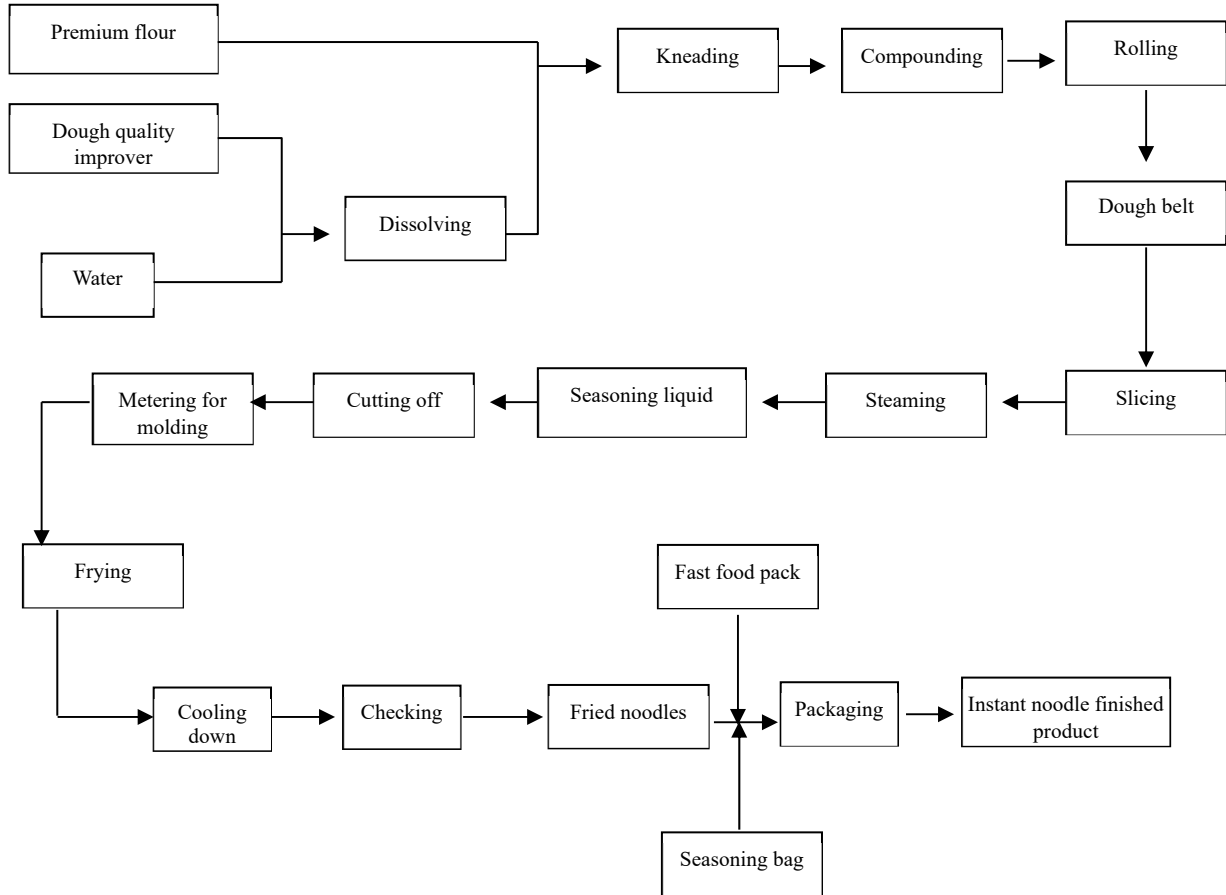
### Ve Wong Soy Sauces Manufacturing process





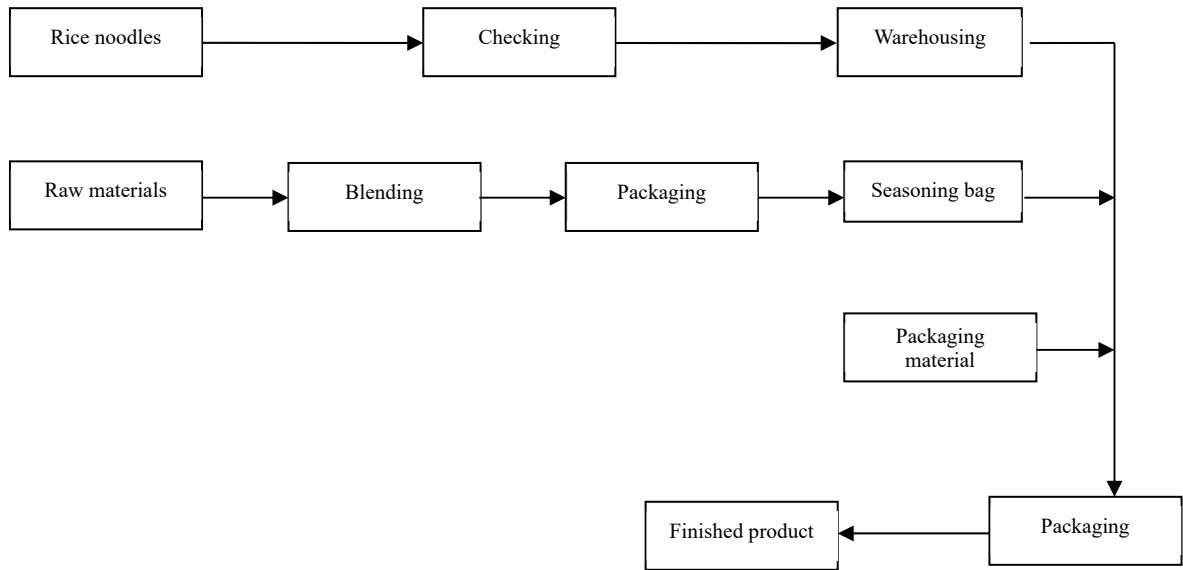


### Ve Wong Instant Noodle Manufacturing process

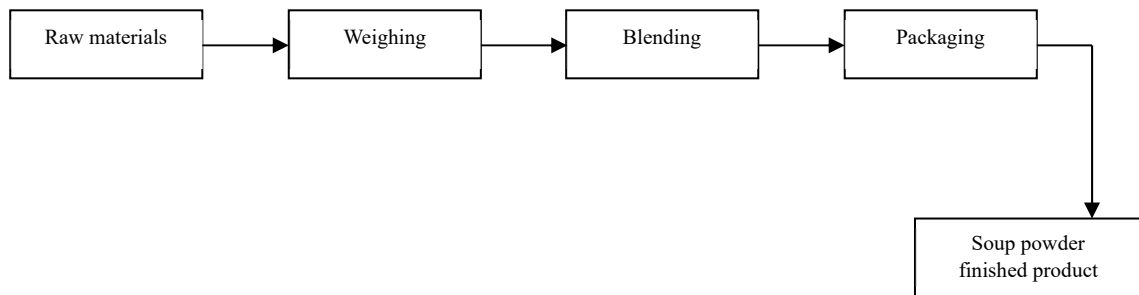




**Saigon Ve Wong Rice Products Manufacturing process**



**Saigon Ve Wong's Soup Powder Manufacturing process**



**3. Supply Status of Main Materials**

Product Group	Major Raw Materials	Source of Supply	Supply Situation
Condiment	Soy Wheat Potato flour Salt	United States, India, South America United States, Australia Thailand Domestic	Stable
Instant Foods	Flour Palm oil	Domestic Malaysia	Stable
Conditioned foods	Pork Beef Chicken	Domestic Australia, New Zealand Domestic	Stable
Canned foods	Peanut Gluten	Domestic Domestic	Stable
Fruit juice	Orange juice Guava juice Asparagus Dew	United States Domestic Domestic	Stable



4. Major suppliers and customers refer to those commanding a 10%-plus share of annual order volume in the Last Two Calendar Years.

1) The major suppliers with more than 10% of the total purchase amount

The major suppliers of the consolidated company in the last two years did not account for more than 10% of the total purchases of the consolidated company.

2) The major customers with more than 10% of the total sales amount

Unit: NT\$ Thousand

Item	2022				2021			
	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer
1	AA	825,705	12.93	None	AA	694,322	11.92	None
	Others	5,559,852	87.07		Others	5,130,516	88.08	
	Net sales	6,385,557	100		Net sales	5,824,838	100	

Note 1 : List the name of the customers with more than 10% of the total sales amount, sales amount, and sales ratio in the last two years; however, it can also be identified with I.D. Number if the limitation of disclosure is stated in the signed contract, or the counterparty of the transaction is an unrelated individual.

Note 2 : The listed companies or OTC companies shall disclose the financial information that is audited or reviewed by a CPA as of the date of publication of the annual report.

5. Production volume and value in the last two years

Unit: NT\$ Thousand

Production Capacity	Year	2022			2021		
		Capacity	Quantity	Amount	Capacity	Quantity	Amount
Major products							
Seasonings		73,748mt	66,462mt	3,909,805	73,748mt	65,483mt	3,141,154
Instant Food		8,977 thousand boxes	6,606 thousand boxes	1,140,032	8,977 thousand boxes	7,445 thousand boxes	1,153,100
Others				438,430			392,200
Total				5,488,267			4,686,454

Note 1. Production capacity refers to the quantity that the company can produce under normal operation using existing production equipment after measuring necessary shutdowns, holidays, and other factors.

Note 2. If the production of each product is substitutable, the production capacity may be combined, and an explanation shall be given.

6. Sales volume and value in the last two years

Unit: NT\$ Thousand

Major products	Year Sales Output	2022				2021			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Q'ty	Amount	Q'ty	Amount	Q'ty	Amount	Q'ty	Amount
Seasonings		56,081 mt	4,502,617	562mt	80,296	54,953 mt	3,918,397	594 mt	76,663
Instant Food		5,635 Thousand boxes	1,284,591	987 Thousand boxes	207,058	6,201 Thousand boxes	1,305,055	1,213 Thousand boxes	220,952
Others			303,602		7,393		293,865		9,906
Total			6,090,810		294,747		5,517,317		307,521

3. Employees

April 30, 2023

year		2021	2022	As of April 30, 2022 (Note)
Total number of employees	Technical staff	1083	1029	1008
	Sales staff	507	497	499
	Management staff	258	254	245
	Total	1848	1780	1752
Average age		43.8	44.5	45.5
Average years of service		14.0	14.5	15.4
Academy Ratio(%)	Doctor	0.1%	0.1%	0.1%
	Master	2.3%	2.5%	2.4%
	College	25.5%	26.1%	26.0%
	Senior High School	39.2%	39.4%	39.8%
	Below Senior High School	32.9%	31.9%	31.7%

Note: The data for the current year as of the publication date of the annual report should be filled in.

Note: It is the employee information of the consolidated company.



## 4. Environmental Protection Expenditure Information

### (1) Environmental Protection Policy

As a member of the earth, Ve Wong grows on the same land as the consumers. In addition to producing high-quality products, it also contributes to environmental protection. Therefore, “environmental prevention and sustainable development” is the company's established environmental protection policy. The company's compliance with environmental protection laws and regulations is implemented in the following five aspects:

1. Implementing pollution source permit management.
2. Promoting the reduction of air pollution emissions.
3. Improving resource recycling and reuse.
4. Promoting the recycling of industrial waste.
5. Strengthening the management of business waste.

### (2) Management of Air Pollution, Water Pollution, Waste and Other Issues Affecting the Environment

The company complies with the food manufacturing industry's regulations to formulate operation management procedures for pollution prevention. In addition to establishing the “Environmental Protection Section” under the Fongtien Plant in the organizational structure, it also engages in water pollution treatment and air pollution control. One dedicated person for processing and waste disposal respectively performs related environmental management business.

### (3) The total amount of losses and sanctions incurred due to environmental pollution in the most recent year as of the publication date of the annual report: None

### (4) Response Strategies

1. The part for proposed improvement measures
  - (1) Firmly implement the management of fixed pollution sources, and check, update and file air pollutant emission data.
  - (2) Require construction companies to enter the plant to comply with environmental protection laws and regulations.
  - (3) The process discharged water in the plant is treated in the sewage treatment plant, and the waste is regularly cleaned up to the legal incineration plant for treatment.
2. Estimated environmental expenditure in the next three years:

Due to the recent general enhancement in environmental awareness and the concept of sustainable operation, the company has regarded pollution prevention and environmental work as the responsibility of corporate operations; the estimated cost of equipment improvement in the next three years is NT\$40 million, so it is estimated that the company will have no major environmental protection treatment expenses in the next three years.
3. Impact on net operating profit after improvement:

The expenditures and manpower related to environmental pollution equipment improvement account for a small proportion of the company's overall expenditures, so there is no direct impact on the company's profit and loss.
4. The part with no countermeasures taken: None.



## 5. Labor relations

### **(1) Employee welfare measures, advanced studies, training, retirement systems, and their implementation status, as well as the agreements between labor and management and various employee rights protection measures:**

#### 1. Employee welfare measures, further studies, training, and implementation status:

The Company has an employee welfare committee, as well as various welfare measures such as club activities, travel subsidies, three-festival gifts, and wedding and funeral subsidies. The Company supports the workplace diversity policy, respects individual differences and uniqueness, and all types of employees can live together in the Company. The Company regularly organizes various employee studies and training to improve the quality of human capital and work quality. The total number of employee training hours in 2022 was 2,425.5 hours. Various training programs are employed to strengthen employee skills and enhance the Company's competitiveness. The Company helps employees plan personal careers so that employees' personal expectations can match the Company's needs.

#### 2. Retirement system and implementation status:

In accordance with the Labor Standards Act provisions, the Company's retirement system has retirement measures for the company's employees, which belong to definite payment retirement measures. The pension payment standard is based on the number of service years, with 2 base points every full year. However, for the number of service years of more than 15, 1.3 base points will be given for every full year. The maximum total is limited to 45 base points. The service of less than half a year will be counted as half a year, and the service of more than half a year will be counted as one year. For those who are mentally or physically disabled and forced to retire due to their duties, an additional 20% will be given. The company allocates a monthly pension based on 15% of the total salary and deposits it in a special account at the Trust Department of the Bank of Taiwan, at the end of 2022, the balance of the retirement reserve account is NT\$418,340,622. The "Labor Pension Act" came into effect on July 1, 2005, and the measures included are definite allocation retirement measures. Employees may choose to continue to apply the Labor Standards Act's relevant pension provisions or apply the pension system of the Labor Pension Act and retain the number of working years before the Act was enacted. If the employee chooses the old system, then the above-mentioned pension system will be followed. If the new system is chosen, the company will withdraw 6% of the employee's monthly salary and credit it to the "individual laborer's account" under the special pension account of the Labor Insurance Bureau. In 2022, the Company has paid a total of NT\$45,740 thousand in old-system pensions and set aside NT\$15,002 thousand in new-system pensions.

#### 3. Status of labor-management agreements and employee rights protection measures:

The company fully implements the labor participation system and protects the rights and interests of employees through regular or irregular meetings such as labor-management conferences, labor union council meetings, and labor union congresses, and then discusses company development together. The company has not yet signed a collective agreement with the enterprise trade union, and will negotiate with the trade union. In 2022, employee welfare or rights and interests were promoted through specific measures such as salary adjustments; the company will keep this spirit in the future and promote labor-management harmony.



**(2) Losses incurred due to labor disputes in the most recent year and up to the publication date of the annual report, and disclosure of the estimated amount and corresponding measures that may occur at present and in the future:**

There was no major labor dispute in the company in 2022 and as of the publication date of the annual report.

## **6. Cyber Security Management:**

**(1) Cyber security management strategy and structure:**

Cyber security risk management framework, cyber security policy, specific management plan and resources invested in datacom security management, etc.

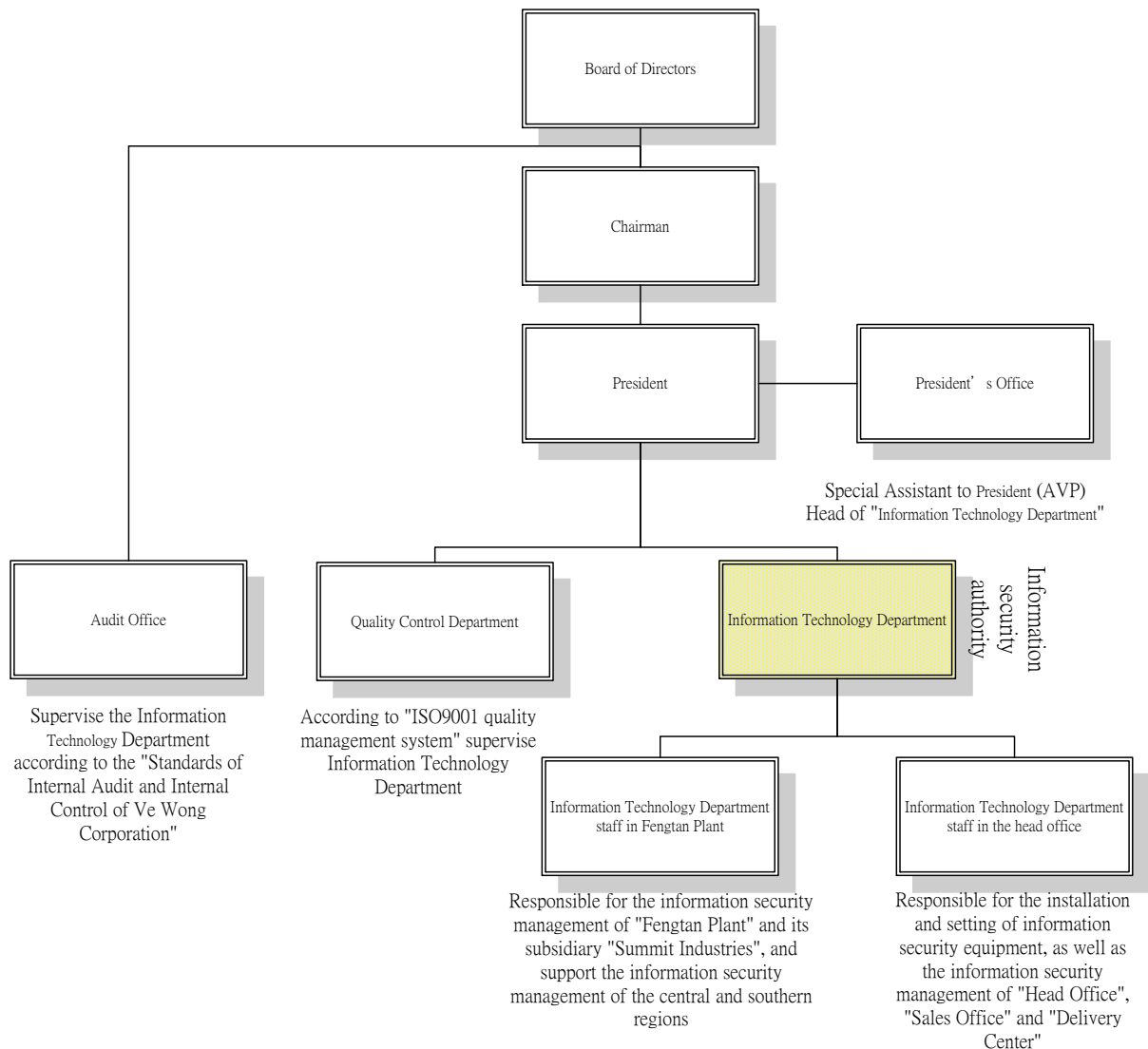
1. Cyber Security Risk Management Framework
2. Cyber Security Policy

Enterprise Cyber Security Governance Organization

- The “Supervisory Unit” is the “Inspection Office” and the “Quality Control Department”.
- The “Authority and Responsibility Unit” is the “Information Department”, under which the “Information Department staff in the head office” (responsible for the installation and setting of cyber security equipment and the “Head Office”, “Business Office”, “Shipping Center” information security management) and “Information Department staff in Fengtian Plant” (responsible for the information security management of “Fengtian Plant” and its subsidiary “Summit Packing Industrial”, supporting the information security management of the central and southern regions); the head of the “Information Department” is the “General Manager Special Assistant (Assistant)”.



Enterprise Cyber Security Governance Organization and Management Structure



2. Cyber Security Policy

Enterprise Cyber Security Management Strategy and Structure

The “Information Department” holds a regular meeting every two weeks, based on the management cycle mechanism of “planning,” “implementation,” “checking” and “action,” and reviews the information security policy together with the “Auditing Office” every year Suitability and Protection. The “Audit Office” will organize the audit status and suggested improvement matters according to the “Ve Wong Company Internal Audit and Internal Control Standards” into an “Annual Audit Report,” which will be reviewed by the “Information Department” and submitted to the “Chairman” and the “Board of Directors.” The “Quality Control Department” conducts internal audits according to the (ISO9001) information security standards.





### 3. Enterprise Cyber Security Risk Management and Continuous Improvement Framework

- Planning
  - Enterprise Information Security Risk Assessment
  - Information security risk management and countermeasure formulation
  - Follow the ISO9001 quality management system
- Implementation
  - Internet Security
  - Device Security
  - Application Security
  - Data Security Protection
- Checking
  - Information Security Continuous Monitoring
  - Confidential Information Protection Compliance Check
- Action
  - Review and improvement of cyber security measures
  - Cyber Security Threats and Technology Mastery
  - Cyber Security Promotion

### 4. Specific Management Plan

Multi-layer information security protection

- Internet Security
  - Import mature and stable network management technology.
  - Establish a network firewall, strengthen network control, and prevent computer viruses from spreading across machines and locations.
- Device Security
  - Whether it is a server or a personal computer, you must join a “domain,” install anti-virus software, and perform a computer virus scan before going online.
- Application Security
  - Develop application security self-checklists, evaluation criteria, and improvement goals for the development process.
  - Continue to strengthen the application security control mechanism and integrate it into the development process and platform.
- Implement data security protection
  - Product development materials are stored in independent storage devices and are not connected to other systems.
  - Implement account and authority management, and do not contact the system without authorization.
  - Outgoing mail control.
- Education training and advocacy



Increase employee alertness to email social engineering attacks.

Take advantage of every opportunity to educate and enhance employees' awareness of information security.

**(2) Cyber security risks and countermeasures:**

- The core of cyber security is “system and management,” and “information security system” is just a “tool.”
- The Company has established “system and management” many years ago; the early system connection method is “closed” (cannot be connected from the outside), so there is no external attack.
- The current system architecture is “centralized” (hosts are concentrated in the “head office”), and the system connection method is “open” (can be connected from the outside). Because of the implementation of “cyber security management,” it did not become a major information security incident.

**(3) Major cyber security incident:**

There were no major cyber security incidents.

## **7. Important Contracts: None**



## VI. Financial Information

### I. The Balance Sheet / Income Statement / CPAs' Name and audit opinion for the Last Five Fiscal Years

#### (I) Consolidated Condensed Balance Sheet and Income Statement

##### 1. Consolidated Condensed balance sheet

Unit: NT\$ thousands

Item	Year	Financial information for the last five years(Note 1)					Financial information available up to March 31, 2023 (Note 5)
		2018	2019	2020	2021	2022	
Current assets		4,038,979	4,334,741	4,246,910	4,494,013	4,802,641	-
Long-term investment (Note 2)		343,819	364,310	426,364	454,500	330,453	-
Property, plant, and equipment(Note 3)		4,500,767	4,587,730	4,514,381	4,486,109	4,746,835	-
Intangible assets		-	-	-	-	-	-
Other assets		141,440	138,245	143,947	148,117	121,037	-
Total assets		9,025,005	9,425,026	9,331,602	9,582,739	10,000,966	-
Current liabilities	Before distribution	1,595,049	1,735,178	1,557,942	1,877,179	1,975,880	-
	After distribution	1,835,049	1,975,178	1,821,942	2,141,179	2,239,880	-
Non-current liabilities		1,550,308	1,474,274	1,461,278	1,454,140	1,449,507	-
Total liabilities	Before distribution	3,145,357	3,209,452	3,019,220	3,331,319	3,425,387	-
	After distribution	3,385,357	3,449,452	3,283,220	3,595,319	3,689,387	-
Shareholder's equity attributable to the parent company		4,731,181	4,997,527	5,155,421	5,269,673	5,534,131	-
Capital stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital surplus		112,965	112,965	205,814	208,337	43,493	-
Retained earnings	Before distribution	2,114,009	2,317,751	2,504,319	2,664,448	3,037,094	-
	After distribution	1,874,009	2,077,751	2,240,319	2,400,448	2,773,094	-
Other equity		142,671	205,275	83,752	35,352	92,008	-
Treasury stock		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-controlling Interest		1,148,467	1,218,047	1,156,961	981,747	1,041,448	-
Total equities	Before distribution	5,879,648	6,215,574	6,312,382	6,251,420	6,575,579	-
	After distribution	5,639,648	5,975,574	6,048,382	5,987,420	6,311,579	-

Note1. The financial information of the most recent annual periods has been verified by CPAs.

Note2. The long-term investment includes non-current financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive gains and losses, financial assets available for sale, financial assets measured at amortized cost, and financial assets measured at cost. Assets, investment in bond instruments without an active market, and investments using the equity method.

Note3. Real estate, plant, and equipment include real estate, plant, and equipment, use right assets, investment real estate and prepaid equipment payments.

Note4. The motion for allocation of cash dividend of 2022 had to be resolved by the annual shareholders' meeting.

Note 5. As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed.



2. Consolidated Condensed comprehensive income statement

Unit: NT\$ thousands

Item	Year	Financial information for the last five years(Note 1)					Financial information available up to March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Operating income		6,081,031	6,323,237	6,043,700	5,824,838	6,385,557	-
Gross profit		1,970,005	1,979,955	2,043,922	1,896,115	1,825,179	-
Profit from operations		976,596	923,530	974,911	865,605	833,156	-
Non-Operating income and expense		43,426	30,952	(33,621)	51,591	287,869	-
Net income before tax		1,020,022	954,482	941,290	917,196	1,121,025	-
Net income of continuing operations		704,325	717,479	693,921	697,030	889,374	-
Loss of discontinued operation		-	-	-	-	-	-
Net income		704,325	717,479	693,921	697,030	889,374	-
Other comprehensive profit and loss (net)		66,965	108,232	(206,686)	(208,437)	143,186	-
Total comprehensive profit and loss		771,290	825,711	487,235	488,593	1,032,560	-
Net income attributable to parent company's shareholders		431,907	456,880	429,096	447,878	625,396	-
Net income attributable to noncontrolling interests		272,418	260,599	264,825	249,152	263,978	-
Total comprehensive profit and loss attributable to parent company's shareholders		456,629	506,346	305,045	375,729	695,396	-
Total comprehensive profit and loss attributable to noncontrolling interests		314,661	319,365	182,190	112,864	337,164	-
Earnings per share(Note 2)		1.82	1.92	1.81	1.88	2.63	-

Note 1. All annual consolidated financial reports are verified by CPAs.

Note 2. Earnings per share are calculated based on the weighted average number of shares outstanding in each year.

Note 3. As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed.



**(2) Individual Condensed Balance Sheet and Income Statement**

1. Individual Condensed Balance Sheet

Unit: NT\$ thousands

Item	Year	Financial information for the last five years (Note 1)					Financial information available up to March 31, 2023 (Note 5)
		2018	2019	2020	2021	2022	
Current assets		970,197	1,081,975	1,266,075	1,616,300	1,679,101	-
Long-term investment (Note 2)		4,281,093	4,321,117	4,282,422	4,140,509	4,221,047	-
Property, plant, and equipment (Note 3)		1,166,112	1,234,170	1,200,363	1,211,313	1,380,739	-
Intangible assets		-	-	-	-	-	-
Other assets		61,047	56,383	60,707	65,041	49,782	-
Total assets		6,478,449	6,693,645	6,809,567	7,033,163	7,330,669	-
Current liabilities	Before distribution	1,040,618	1,119,828	1,102,872	1,227,735	1,275,538	-
	After distribution	1,280,618	1,359,828	1,366,872	1,491,735	1,539,538	-
Noncurrent liabilities		706,650	576,290	551,274	535,755	521,000	-
Total liabilities	Before distribution	1,747,268	1,696,118	1,654,146	1,763,490	1,796,538	-
	After distribution	1,987,268	1,936,118	1,918,146	2,027,490	2,060,538	-
Equity attributable to shareholders of parent company		4,731,181	4,997,527	5,155,421	5,269,673	5,534,131	-
Common stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital surplus		112,965	112,965	205,814	208,337	43,493	-
Retained earnings	Before distribution	2,114,009	2,317,751	2,504,319	2,664,448	3,037,094	-
	After distribution	1,874,009	2,077,751	2,240,319	2,400,448	2,773,094	-
Other equity		142,671	205,275	83,752	35,352	92,008	-
Treasury stocks		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	4,731,181	4,997,527	5,155,421	5,269,673	5,534,131	-
	After distribution	4,491,181	4,757,527	4,891,421	5,005,673	5,270,131	-

Note 1. All annual individual finance reports are verified by CPAs.

Note 2. Long-term investment includes non-current financial assets measured at fair value through profit and loss, financial assets measured at fair value through other comprehensive gains and losses, financial assets available for sale, financial assets measured at amortized cost, and financial assets measured at cost. Assets, investment in bond instruments without an active market, and investments using the equity method.

Note 3. Real estate, plant and equipment include real estate, plant, and equipment, use right assets, investment real estate and prepaid equipment payments.

Note 4. The motion for allocation of cash dividend of 2022 had to been resolved by the annual shareholders' meeting.

Note 5. As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed.



## 2. Individual comprehensive income statement

Unit: NT\$ thousands

Item	Year	Financial information for the last five years (Note 1)					Financial information available up to March 31, 2023 (Note 3)
		2018	2019	2020	2021	2022	
Operating Income		2,241,479	2,175,267	2,321,441	2,311,453	2,366,704	-
Gross profit		680,273	650,364	703,925	668,669	603,572	-
Profit from operations		157,613	138,507	171,063	134,817	67,545	-
Non-Operating income and expense		428,053	391,550	345,655	385,164	629,100	-
Net income before tax		585,666	530,057	516,718	519,981	696,645	-
Net income of continuing operations		431,907	456,880	429,096	447,878	625,396	-
Loss of discontinued operation		-	-	-	-	-	-
Net income		431,907	456,880	429,096	447,878	625,396	-
Other comprehensive income (net after-tax)		24,722	49,466	(124,051)	(72,149)	70,000	-
Total comprehensive income		456,629	506,346	305,045	375,729	695,396	-
Earnings per share (Note 2)		1.82	1.92	1.81	1.88	2.63	-

Note 1. All annual consolidated financial reports are verified by CPAs.

Note 2. Earnings per share are calculated based on the weighted average number of shares outstanding in each year.

Note 3. As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed.

## (3) The names of CPAs and their opinions for the most recent five years.

Year	Accounting Firm	CPAs' Name	Audit opinions
2018	PKF Taiwan	Wen, Ming-Yu \ Hsu, Ching-Hsien	Unqualified opinion
2019	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2020	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2021	PKF Taiwan	Lin, Kuan-Zhao \ Wen, Ming-Yu	Unqualified opinion
2022	PKF Taiwan	Lin, Kuan-Zhao \ Chang, Hui-Yu	Unqualified opinion



## 2. Financial analysis for the most recent five years

### 1. Consolidated financial analysis

Item(Note 3)	Year(Note 1)	Financial analysis for the last five years					March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022	
Financial structure (%)	Liabilities to assets	34.85	34.05	32.35	34.76	34.25	-
	Long-term fund for property, plant, and equipment	253.50	251.52	265.14	267.68	270.94	-
Liquidity analysis (%)	Current ratio	253.21	249.81	272.59	239.40	243.06	-
	Quick ratio	160.67	153.51	178.50	161.62	136.55	-
	Interest coverage ratio	94.11	67.29	66.74	64.98	66.70	-
Operation performance analysis	Receivables turnover (times)	12.31	12.93	12.76	12.95	13.34	-
	Average collection days	29.65	28.22	28.60	28.18	27.36	-
	Inventory turnover (times)	2.83	2.79	2.59	2.73	2.57	-
	Payables turnover (times)	9.25	10.90	10.31	9.04	8.64	-
	Average inventory turnover days	128.97	130.82	140.92	133.69	142.02	-
	Property, plant, and equipment turnover (times)	2.12	2.11	2.01	2.00	2.18	-
	Total assets turnover (times)	0.66	0.68	0.64	0.61	0.65	-
Profitability	Return on assets (%)	7.83	7.90	7.52	7.49	9.22	-
	Return on equity (%)	12.26	11.86	11.07	11.09	13.86	-
	Pre-tax income to paid-in capital ratio (%)	42.50	39.77	39.22	38.21	46.70	-
	Net income margin (%)	11.58	11.34	11.48	11.96	13.92	-
	EPS (NT\$)	1.82	1.92	1.81	1.88	2.63	-
Cash flow	Cash flow ratio (%)	45.24	25.65	69.60	51.41	9.35	-
	Cash flow adequacy ratio (%)	144.50	132.16	143.00	134.29	76.29	-
	Cash flow reinvestment ratio (%)	1.98	-0.46	6.29	4.47	-3.64	-
Leverage	Operating leverage	1.13	1.15	1.15	1.15	1.15	-
	Financial leverage	1.01	1.01	1.01	1.01	1.02	-
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:							
1.Profitability							
<ul style="list-style-type: none"> <li>➤ The increase in return on assets was mainly due to the increase in after-tax net profit resulting from the disposal of non-current assets to be sold.</li> <li>➤ The increase in return on equity was mainly due to the increase in net profit after tax due to the disposal of non-current assets to be sold.</li> <li>➤ The increase in the ratio of pre-tax net profit to paid-in capital was mainly due to the increase in pre-tax net profit and the disposal of non-current assets to be sold.</li> <li>➤ The increase in earnings per share was mainly due to the increase in profit and loss attributable to owners of the parent company.</li> </ul>							
2.Cash flow							
<ul style="list-style-type: none"> <li>➤ The decrease in cash flow ratio is mainly due to the decrease in net cash inflow from operating activities due to the increase in inventory in 2022.</li> <li>➤ The decrease in the net cash flow allowable ratio was mainly due to the increase in capital expenditure and inventory in 2022.</li> <li>➤ The decrease in cash reinvestment ratio was mainly due to the decrease in net cash flow from operating activities.</li> </ul>							

Note 1: The above financial information for the year is the financial statement which has been audited by the accountant.

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed..

#### 1. Financial structure

(1) Debt ratio = Total liabilities/total assets.

(2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment



## 2. Solvency

- (1) Current ratio = Current assets/current liabilities
- (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
- (3) Times Interest Earned = Net income before tax and interest expense/current interest expense

## 3. Operating ability

- (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance
- (2) Average collection period = 365 days/ accounts receivable turnover
- (3) Inventory turnover (times) = Cost of goods sold/average inventory
- (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
- (5) Average inventory turnover days = 365 days/ inventory turnover
- (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
- (7) Total asset turnover = Net sales/average total assets

## 4. Profitability

- (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
- (2) Return on shareholder's equity = Net income/average total shareholder's equity
- (3) Profit margin = Net income/ net sales
- (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued

## 5. Cash flow

- (1) Cash flow ratio = Cash flow from operating activities/current liabilities
- (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
- (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital)

## 6. Leverage

- (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
- (2) Financial leverage = Operating income/ (operating income - interest expenses)





## 2. Individual financial analysis

Item(Note 3)		Year(Note 1)	Financial analysis for the last five years					Financial information available up to March 31, 2023 (Note 2)
		2018	2019	2020	2021	2022		
Financial structure (%)	Liabilities to assets	26.97	25.33	24.29	25.07	24.50	-	
	Long-term fund for property, plant, and equipment	556.58	694.41	745.20	760.74	713.78	-	
Solvency analysis (%)	Current ratio	93.23	96.61	114.79	131.64	131.63	-	
	Quick ratio	56.62	60.99	80.99	100.33	96.46	-	
	Interest coverage ratio	86.03	67.57	64.32	66.97	68.52	-	
Operation performance analysis	Receivables turnover (times)	7.60	7.66	8.52	8.07	7.85	-	
	Average collection days	48.02	47.65	42.84	45.22	46.49	-	
	Inventory turnover (times)	4.31	3.99	4.29	4.41	4.27	-	
	Payables turnover (times)	7.13	7.34	7.81	7.26	7.36	-	
	Average inventory turnover days	84.68	91.47	85.08	82.76	85.48	-	
	Property, plant, and equipment turnover (times)	2.44	2.44	2.96	3.02	2.93	-	
	Total assets turnover (times)	0.34	0.33	0.34	0.33	0.32	-	
Profitability	Return on assets (%)	6.72	7.03	6.45	6.56	8.82	-	
	Return on equity (%)	9.31	9.39	8.45	8.59	11.57	-	
	Pre-tax income to paid-in capital ratio (%)	24.40	22.08	21.52	21.66	29.02	-	
	Net income margin (%)	19.26	21.00	18.48	19.37	26.42	-	
	EPS (NT\$)	1.82	1.92	1.81	1.88	2.63	-	
Cash flow (%)	Cash flow ratio (%)	44.69	24.10	54.04	39.66	37.47	-	
	Cash flow adequacy ratio (%)	91.97	103.55	128.63	150.47	101.95	-	
	Cash flow reinvestment ratio (%)	2.41	0.48	5.65	3.47	3.20	-	
	Operating leverage	1.30	1.45	1.03	1.05	2.11	-	
	Financial leverage	1.04	1.06	1.05	1.06	1.18	-	

The cause of changes of more than 20% in financial rates over the last two years:

### 1. Profitability

- The increase in return on assets was mainly due to the increase in net profit after tax due to the disposal of non-current assets to be sold.
- The increase in return on equity was mainly due to the increase in net profit after tax due to the disposal of non-current assets to be sold.
- The increase in the ratio of pre-tax net profit to paid-in capital is mainly due to the increase in pre-tax net profit and the disposal of non-current assets to be sold.
- The increase in net profit ratio was mainly due to the increase in net profit after tax and the disposal of non-current assets to be sold.
- The increase in earnings per share was mainly due to the increase in profit and loss attributable to owners of the parent company.

### 2. Cash flow

- The decrease in the net cash flow allowable ratio was mainly due to the increase in capital expenditure and inventory in 2022.

### 3. Leverage

- The increase in operating leverage was mainly due to the decrease in operating profit.

Note 1: The above financial information for the year is the financial statement which has been audited by the accountant.

Note 2: As of the publication date of the annual report, there is no financial information for the first quarter of 2023 after being reviewed..

### 1. Financial structure

(1) Debt ratio = Total liabilities/total assets.

(2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment



## 2. Solvency

- (1) Current ratio = Current assets/current liabilities
- (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
- (3) Times Interest Earned = Net income before tax and interest expense/current interest expense

## 3. Operating ability

- (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance
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- (5) Average inventory turnover days = 365 days/ inventory turnover
- (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
- (7) Total asset turnover = Net sales/average total assets

## 4. Profitability

- (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
- (2) Return on shareholder's equity = Net income/average total shareholder's equity
- (3) Profit margin = Net income/ net sales
- (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued

## 5. Cash flow

- (1) Cash flow ratio = Cash flow from operating activities/current liabilities
- (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
- (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital)

## 6. Leverage

- (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
- (2) Financial leverage = Operating income/ (operating income - interest expenses)



### 3. Audit Committee's Report

## VE WONG Corporation

### Audit Committee's Review Report

The Board of Directors has prepared the 2022 Business Report, Financial Statements, and proposal for deficit compensation. The CPA Lin, Kuan-Zhao and CPA Chang, Hui-Yu, members of the PKF Taiwan, have completed the audit of the financial statements and issued an audit report relating thereto. In addition, the Board of Directors has prepared and submitted to us the Company's 2022 business report and proposal for distribution of earnings. We, the Audit Committee members, have duly examined and determined such business report and proposal for distribution of earnings to be in line with the requirements under the Company Law and relevant laws and regulations. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

To the 2023 General Shareholders' Meeting of Ve Wong Corporation,

The Convener of the Audit Committee:

Liao, Chi-Fang

March 24, 2023

## 4. Consolidated Financial Statements with Independent Auditors' Report of the most recent year

### INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of VE WONG CORPORATION

#### Opinion

We have audited the accompanying consolidated financial statements of VE WONG CORPORATION and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of VE WONG CORPORATION and its subsidiaries as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of VE WONG CORPORATION and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent accountants, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for VE WONG CORPORATION and its subsidiaries's consolidated financial statements for the year ended December 31, 2022 are stated as follows :

#### Recognize of Sales revenue

The main operating income of VE WONG CORPORATION and its subsidiaries is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XIX) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for group operating income.
2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.

- 3.The selected transaction conditions are not FOB shipping point export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
- 4.For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
- 5.Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
- 6.Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
- 7.Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

### Evaluation Impairment of Investments accounted for using the equity method and Goodwill

VE WONG CORPORATION and its subsidiaries regularly assess whether there are indication of impairment of goodwill. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and future financial forecasts. The high degree of uncertainty has a significant impact on the measurement result of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that VE WONG CORPORATION and its subsidiaries's assessment of the equity method of investment and goodwill impairment are the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XIII) Impairment of asset; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III) and V(IV).

We performed the following audit procedures :

- 1.Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
- 2.Verify whether there are indication that investments accounted for using the equity method and goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
- 3.Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

### **Other – Using the reports of other independent accountants**

Among the associates included in the consolidated financial statements of VE WONG CORPORATION and its subsidiaries, Hughes Biotech. Co., Ltd. (Hughes Biotech) which used the equity method to invest in 2022 and 2021, had its financial statements not audit by us, but was audited by other accountants. In addition, in 2021, Koh Kong Sugar Industry Co., Ltd. (KSI) and Koh Kong Plantation Co., Ltd. (KPT) invested in Cambodia which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements of Hughes Biotech (in 2022 and 2021) and the financial statements of KSI and KPT (in 2021) that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2022 and 2021, the above-mentioned companies used the equity method to invest in 3,225 thousand NTD and 74,025 thousand NTD, respectively, accounting for 0.03% and 0.77% of the total consolidated assets. From January 1 to December 31, 2022 and 2021, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method and

impairment loss) recognized by these investee companies was (3,013) thousand NTD and (18,413) thousand NTD, accounting for 0.05% and 0.32% of net consolidated operating income, respectively.

VE WONG CORPORATION has prepared the parent company only financial statements for the 2022 and 2021, and the audit report with unqualified opinions issued by the accountant is on file for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing VE WONG CORPORATION and its subsidiaries's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate VE WONG CORPORATION and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are overseeing VE WONG CORPORATION and its subsidiaries's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of VE WONG CORPORATION and its subsidiaries's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on VE WONG

CORPORATION and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause VE WONG CORPORATION and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within VE WONG CORPORATION and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuan Chao Lin and Hwei Yu Chang.

PKF Taiwan  
Republic of China  
March 29, 2023

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The accompanying consolidated financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those applied in the Republic of China.

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

As the consolidated financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive form the translation.

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2022 AND 2021**
**(In Thousands of New Taiwan Dollars)**

ASSETS	Note	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	IV				
Financial assets measured at amortized cost -current assets	VI(I)	\$ 1,288,739	13	\$ 1,570,497	16
Notes receivable, net	VI(III)	309,027	3	351,190	4
Accounts receivable, net	VI(IV)	121,193	1	134,682	1
Other receivables- related parties	VI(IV) ∙ VII	372,162	4	329,026	4
Current tax assets		14	-		
Inventories	VI(XIX)	3,127	-	2,815	-
Other financial assets	VI(V)	2,086,932	21	1,449,604	15
Prepayments and other current assets	VI(VII)	476,536	5	599,964	6
Total current assets	VI(XIII)	4,802,641	48	4,494,013	47
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through profit or loss	IV				
Financial assets at fair value through other comprehensive income	VI(II)	-	-	-	-
Financial assets measured at amortized cost -noncurrent assets	VI(VI)	256,334	3	315,282	3
Investments accounted for using equity method	VI(III)	51,653	-	49,046	1
Property, plant and equipment	VI(VIII)	22,466	-	90,172	1
Right-of-use assets	VI(IX) ∙ VIII	2,961,880	30	2,878,613	30
Investments properties	VI(X)	94,424	1	103,524	1
Deferred income tax assets	VI(XI) ∙ VIII	1,522,670	15	1,429,414	15
Prepayments for equipment	VI(XIX)	21,256	-	37,181	-
Refundable deposit	VI(XII)	167,861	2	74,558	1
Other noncurrent assets		33,204	-	34,870	-
Total noncurrent assets	VI(XIII) ∙ VII	66,577	1	76,066	1
<b>TOTAL</b>		<b>\$ 10,000,966</b>	<b>100</b>	<b>\$ 9,582,739</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	IV				
Notes payable	VI(XIV)	\$ 953,000	9	\$ 853,000	9
Accounts payable		52,885	1	78,573	1
Other payables		465,060	5	458,947	5
Current tax liabilities		306,248	3	304,695	3
Lease liabilities-current	VI(XIX)	85,071	1	68,579	1
Other current liabilities	VI(XV)	12,238	-	12,193	-
Total current liabilities		1,01,378	1	101,192	1
<b>NONCURRENT LIABILITIES</b>					
Net defined benefit liability	IV				
Deferred income tax liabilities-land value increment tax	VI(XVI)	252,881	2	284,805	3
Deferred income tax liabilities -income tax		879,845	9	879,845	9
Lease liabilities-noncurrent	VI(XIX)	206,231	2	178,301	2
Long-term deferred income	VI(XV)	85,473	1	93,110	1
Other	VI(XVII)	3,500	-	4,000	-
Total noncurrent liabilities		21,577	-	14,079	-
Total liabilities		1,449,507	14	1,454,140	15
<b>EQUITY</b>					
Capital stock	IV ∙ VI(XX)				
Common shares		2,400,000	24	2,400,000	25
Capital surplus					
From treasury stock transactions		43,493	-	40,970	-
From share of changes in equities of associates		-	-	167,367	2
Retained earnings					
Appropriated as legal capital reserve		461,976	5	419,563	4
Appropriated as special capital reserve		1,005,964	10	1,005,964	11
Unappropriated earnings		1,569,154	16	1,238,921	13
Other equity		92,008	1	35,352	-
Treasury stock	VI(VIII) ∙ VI(XXI)	(38,464)	-	(38,464)	-
Total equity attributable to the owners of the parent company		5,534,131	56	5,269,673	55
Non-controlling interests	IV ∙ VI(XX)	1,041,448	10	981,747	10
Total equity		6,575,579	66	6,251,420	65
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>					
<b>TOTAL</b>		<b>\$ 10,000,966</b>	<b>100</b>	<b>\$ 9,582,739</b>	<b>100</b>

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)



**VE WONG CORPORATION and Subsidiaries**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2022		2021	
		Amount	%	Amount	%
NET REVENUE	IV、VI(XXIV)、VII	\$ 6,385,557	100	\$ 5,824,838	100
OPERATING COSTS	IV、VI(V)	4,560,378	71	3,928,723	67
GROSS PROFIT		1,825,179	29	1,896,115	33
OPERATING EXPENSES					
Marketing		661,348	11	694,919	12
General and administrative		320,755	5	327,060	6
Research and development		7,933	-	9,769	-
Expected credit loss on trade receivables		1,987	-	(1,238)	-
Total operating expenses		992,023	16	1,030,510	18
INCOME FROM OPERATIONS		833,156	13	865,605	15
NON-OPERATING INCOME AND EXPENSES					
Interest income	IV	25,866	-	13,472	-
Other income	VI(XXV)	14,793	-	11,092	-
Other gains and losses	VI(XXVI)、VII	340,002	5	59,071	1
Finance costs	VI(XXVII)	(17,061)	-	(14,334)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	(886)	-	(8,902)	-
Impairment loss	VI(VIII)	(74,845)	(1)	(8,808)	-
Total non-operating income		287,869	4	51,591	1
PROFIT BEFORE INCOME TAX		1,121,025	17	917,196	16
INCOME TAX EXPENSE	IV、VI(XIX)	(231,651)	(3)	(220,166)	(4)
NET PROFIT FOR THE YEAR		889,374	14	697,030	12
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		11,250	-	(32,532)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(61,612)	(1)	81,098	1
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		(50,362)	(1)	48,566	1
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		188,833	3	(256,023)	(5)
Share of the other comprehensive income (loss) of associates accounted for using the equity method		4,715	-	(980)	-
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		193,548	3	(257,003)	(5)
Other comprehensive income (loss) for the year, net of income tax		143,186	2	(208,437)	(4)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 1,032,560	16	\$ 488,593	8
Net profit attributable to:					
Parent company shareholders		\$ 625,396		\$ 447,878	
Non-controlling interests		263,978		249,152	
Net income		\$ 889,374		\$ 697,030	
Total comprehensive income attributable to:					
Parent company shareholders		\$ 695,396		\$ 375,729	
Non-controlling interests		337,164		112,864	
Total comprehensive income		\$ 1,032,560		\$ 488,593	
EARNINGS PER SHARE					
IV、IV(XXII)					
Basic		\$ 2.63		\$ 1.88	
Diluted		\$ 2.63		\$ 1.88	

The accompanying notes are an integral part of the consolidated financial statements.

(With PKF Taiwan auditors' report dated March 29, 2023)

VE WONG CORPORATION and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

Item	Equity attributable to the owners of the parent company												Total Equity
	Capital Surplus			Retained Earnings			Other Equity						
	Ordinary Shares	From treasury stock transactions	From share of changes in equities of associates	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Directly Related to Non-current Assets Held for Sale	Treasury stock	Total equity attributed to parent company shareholders	Non-controlling interests	
BALANCE, JANUARY 1, 2021	\$ 2,400,000	\$ 38,447	\$ 167,367	\$ 376,906	\$ 1,005,964	\$ 1,121,449	\$ (40,109)	\$ 123,861	\$ -	\$ (38,464)	\$ 5,155,421	\$ 1,156,961	\$ 6,312,382
Appropriation of the 2020 earnings													
Legal reserve	-	-	-	42,657	-	(42,657)	-	-	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)	-	(264,000)
Net profit for year ended December 31, 2021	-	-	-	-	-	447,878	-	-	-	-	447,878	249,152	697,030
Other comprehensive loss for year ended December 31, 2021, net of income tax	-	-	-	-	-	(23,749)	(129,494)	81,094	-	-	(72,149)	(136,288)	(208,437)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	424,129	(129,494)	81,094	-	-	375,729	112,864	488,593
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523	-	2,523
Decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	(288,078)	(288,078)
BALANCE, DECEMBER 31, 2021	2,400,000	40,970	167,367	419,563	1,005,964	1,238,921	(169,603)	204,955	-	(38,464)	5,269,673	981,747	6,251,420
Appropriation of the 2021 earnings													
Legal reserve	-	-	-	42,413	-	(42,413)	-	-	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)	-	(264,000)
Net profit for year ended December 31, 2022	-	-	-	-	-	625,396	-	-	-	-	625,396	263,978	889,374
Other comprehensive income (loss) for year ended December 31, 2022, net of income tax	-	-	-	-	-	11,250	120,360	(61,610)	-	-	70,000	73,186	143,186
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	636,646	120,360	(61,610)	-	-	695,396	337,164	1,032,560
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523	-	2,523
Directly Related to Non-current Assets Held for Sale	-	-	-	-	-	-	(2,094)	-	2,094	-	-	-	-
Disposal of Non-current Assets Held for Sale	-	-	(167,367)	-	-	-	-	-	(2,094)	-	(169,461)	-	(169,461)
Decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	(277,463)	(277,463)
BALANCE, DECEMBER 31, 2022	\$ 2,400,000	\$ 43,493	\$ -	\$ 461,976	\$ 1,005,964	\$ 1,569,154	\$ (51,337)	\$ 143,345	\$ -	\$ (38,464)	\$ 5,534,131	\$ 1,041,448	\$ 6,575,579

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)

## VE WONG CORPORATION and Subsidiaries

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 1,121,025	\$ 917,196
Adjustments for :		
Depreciation expense	128,108	131,056
Amortization expense	14,053	8,159
(Reversal of allowance) Expected credit loss on trade receivables	1,987	(1,238)
Net defined benefit liabilities	(20,674)	(48,725)
(Reversal of allowance) provision for inventory market price decline	987	(1,875)
Loss on Inventory scrap	4,737	5,066
Loss (gain) on disposal of property, plant and equipment	(2,012)	124
Gain on disposal of non-current assets held for sale	(168,362)	-
Impairment loss	74,845	8,808
Reversal of property, plant and equipment impairment loss	(14,190)	-
Profit on fair value change of financial assets at fair value through profit or loss	-	(6,573)
Share of profit of associates accounted for using the equity method	886	8,902
Finance costs	17,061	14,334
Interest income	(25,866)	(13,472)
Dividend income	(14,793)	(11,092)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	13,489	(22,089)
Increase in trade receivables	(44,011)	(3,863)
Increase in other receivables- related parties	(14)	-
Decrease (increase) in prepayments and other current assets	(79,003)	30,587
Increase in inventories	(643,052)	(24,714)
Increase (decrease) in notes payable and trade payable	(19,575)	206,811
Increase in other payables	1,368	41,445
Decrease in liability provision-current	-	-
Decrease in deferred income	(500)	(500)
Increase (decrease) in other current liabilities	186	(13,963)
Cash generated from operations	346,680	1,224,384
Interest received	16,193	10,685
Dividends and other dividends received	16,918	11,092
Income tax received	1,237	19,513
Interest paid	(16,876)	(14,242)
Income tax paid	(179,242)	(286,362)
Net cash generated from operating activities	184,910	965,070
CASH FLOWS FROM INVESTING ACTIVITIES :		
Proceeds from disposal financial assets at fair value through profit or loss	-	51,468
Increase in financial assets at fair value through other comprehensive income	(2,664)	-
Decrease in financial assets measured at amortized cost	39,556	38,589
Proceeds from disposal non-current assets held for sale	1	-
Increase in other financial assets	123,428	(285,183)
Increase in investments accounted for using equity method	(3,894)	-
Acquisition of property, plant and equipment	(142,794)	(66,555)
Disposal of property, plant, and equipment	2,075	158
Acquisition of investments properties	(88,750)	-
Interest expense for investments properties	(120)	-
Increase in prepaid equipment purchase	(110,858)	(45,235)
Decrease (increase) in refundable deposit	1,666	(6,125)
Increase in other noncurrent assets	(6,007)	(10,639)
Net cash used in investing activities	(188,361)	(323,522)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase in short-term borrowings	100,000	140,000
Payment of the principal portion of lease liabilities	(8,557)	(17,034)
Increase (decrease) in other noncurrent liabilities	7,498	(343)
Dividends paid	(261,477)	(261,477)
Subsidiary paid cash dividends to non-controlling interests	(277,463)	(288,078)
Net cash used in financing activities	(439,999)	(426,932)
Effect of foreign exchange rate change	161,692	(213,154)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(281,758)	1,462
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,570,497	1,569,035
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,288,739	\$ 1,570,497

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)

## VE WONG CORPORATION and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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#### I. GENERAL

VE WONG CORPORATION (the "Company"), was formerly known as "China Yeast Industry Co., Ltd.", was incorporated in April, 1959 in accordance with the Company Law and other relevant laws and regulations. It was renamed "VE WONG CORPORATION" in May 1979. The main business of the company is the production and sales of monosodium glutamate, soy sauce, instant noodles, canned food and beverages, as well as residential and building development, leasing and sales, industrial plant development, leasing and sales, investment and construction of public construction, and import of foreign tobacco, alcohol and beverages. The Company's shares have been listed and traded on the Taiwan Stock Exchange since 1963.

For the main operating activities and operating segments information of the Company and its subsidiaries (the consolidated company), please refer to Notes IV and XIV.

#### II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 29, 2023.

#### III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

New standards, interpretations and amendments endorsed by FSC effective since 2022 are as follows :

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2023

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture" (next)	To be determined by IASB

(continued)

Amendments to IFRS 16 “Sale and Leaseback”	January 1, 2024
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the consolidated company completes the evaluation.

#### **IV. Summary of Significant Accounting Policies**

The summary of the significant accounting policies adopted by the consolidated financial statements is described as follows :

##### **(I) Statement of compliance**

The consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

##### **(II) Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

##### **(III) Basis of consolidation**

###### **1. Principle for the preparation of consolidated financial statements**

Control is achieved when the company is exposed to variable remuneration from the participation of the invests or has rights to such variable remuneration, and has the ability to influence such remuneration through its power over the investee. In particular, the company only controls the investor when the company has the following 3 control elements:

- (1) The power over the investee (that is, the existing right that gives him the current ability to lead relevant activities)
- (2) Risks or rights, from variable remuneration for the participation of the investee, and
- (3) The ability to use its power over the invested to affect the amount of investee compensation

When the company directly or indirectly holds less than a majority of the voting rights or similar rights of the investor, the company considers all relevant facts and circumstances to assess whether it has power over the investee, including:

- (1) Contract agreement with other voting rights holders of the investee
- (2) Rights arising from other contractual agreements
- (3) Voting rights and potential voting rights

When the facts and circumstances show that one or more of the 3 control elements has changed, the company will reassess whether it still controls the investee.

The consolidated financial statement includes the financial statements of the company and the entities (subsidiaries) controlled by the company. The financial statements of the subsidiaries shall be included in the consolidated statements from the date when they obtain control, and until the date when they no longer have control.

The financial statements of the subsidiaries have been appropriately adjusted in material respects to make their accounting policies consistent with the accounting policies used by the company.

The major transactions, balances, income, and expenses and losses between the various entities of the consolidated company have been completely eliminated at the time of consolidated.

If the consolidated company loses control of a subsidiary, then

- (1) Derecognise assets (including goodwill) and liabilities of subsidiaries

- (2) Derecognise the book amount of any non-controlling interests
- (3) Recognise the fair value of the consideration received, if any
- (4) Recognise any investment retained in the former subsidiary at its fair value
- (5) Recognise any profit or loss as current profit and loss
- (6) Reclassification of the parent company previously recognized in other comprehensive profit and loss items as current profit and loss

2.The subsidiaries included in the consolidated financial statements

The preparation subject of consolidated financial statements of 2022 and 2021 including these entities as follows, The company, The World Champion Co., Ltd., Sammi Industrial Co., Ltd., Saigon Ve Wong Co., Ltd., Thai Fermentation Industry Co., Ltd. (including Champion Fermentation Co., Ltd.), Samoan Ve Wong International Ltd., Tai Ve Corporation, Samoa Best Founder Corporation, and Green TFL Co., Ltd.

The detail information of subsidiaries at the end of reporting period was as follows :

Name of subsidiary	Nature of business	Shareholding ratio		Whether to be included in the consolidated establishment	
		12.31.2022	12.31.2021	2022	2021
The World Champion Co., Ltd.	Sales of canned food and beverages, etc.	99.99%	99.99%	Yea	Yea
Sammi Industrial Co., Ltd.	Printing, manufacturing and trading of packaging materials and containers	100.00%	100.00%	Yea	Yea
Saigon Ve Wong Co., Ltd.	Manufacturing and sales of MSG and instant noodles	100.00%	100.00%	Yea	Yea
Thai Fermentation Industry Co., Ltd.	Manufacturing and sales of MSG	48.66%	48.66%	Yea (note1)	Yea (note1)
Champion Fermentation Co., Ltd.	Manufacturing and sales of MSG	48.66%	48.66%	Yea (note2)	Yea (note2)
Samoan Ve Wong International Ltd	General investment	100.00%	100.00%	Yea	Yea
Tai Ve Corporation	Residential and building development, lease and sale	100.00%	100.00%	Yea	Yea
Samoa Best Founder Corporation	General investment	100.00%	100.00%	Yea	Yea
Green TFL Co., Ltd.	Bean processed food manufacturing	70.00%	70.00%	Yea	Yea

Note 1: Thai Fermentation Industry Co., Ltd., whose direct and indirect shareholding percentage does not exceed 50%, are appointed by the Company as its general manager, so it is included in the consolidated entity.

Note 2: Champion Fermentation Co., Ltd., after the reorganization in 2016 and the acquisition of the remaining 51% non-controlling interests by Thai Fermentation Industry Co., Ltd., Champion Fermentation Co.,Ltd. became the sub-subsidiary of the Company.

3.The subsidiaries that are not included in the consolidated financial statements:

Name of investment company	Name of subsidiary	Nature of business	Shareholding ratio		Remarks
			12.31.2022	12.31.2021	
Thai Fermentation Industry Co., Ltd.	K.S.L.IT Center Co., Ltd.	Technology Information Management	50.00%	50.00%	The total assets are not yet significant and there is no significant operating income
Thai Fermentation Industry Co., Ltd.	TFI Green Biotech Company Limited	Classification of organic fertilizers	50.00%	50.00%	The total assets are not yet significant and there is no significant operating income

4. Subsidiaries with significant non-controlling interests in the consolidated company

The total amount of non-controlling interests of the consolidated company as of December 31, 2022 and 2021 were \$1,041,448 and \$981,747, respectively. The information of significant non-controlling interests and subsidiaries are as follows :

Name of subsidiary	Main place of business	non-controlling interests			
		12.31.2022		12.31.2021	
		Amount	Shareholding ratio	Amount	Shareholding ratio
Thai Fermentation Industry Co., Ltd.	Thailand	\$ 1,029,943	51.34%	\$ 970,174	51.34%

Aggregate financial information of subsidiaries:

Balance sheet

	Thai Fermentation Industry Co., Ltd.	
	12.31.2022	12.31.2021
Current assets	\$ 2,179,197	\$ 2,030,958
Noncurrent assets	402,353	395,166
Current liabilities	(488,208)	(437,912)
Noncurrent liabilities	(89,183)	(88,584)
Total net assets	\$ 2,004,159	\$ 1,899,628

Statements of comprehensive income

	Thai Fermentation Industry Co., Ltd.	
	2022	2021
Revenue	\$ 2,887,718	\$ 2,507,635
Profit before income tax	632,378	605,248
Income tax expense	(129,930)	(117,694)
Net income	502,448	487,554
Net profit attributable to non-controlling interests	(253,303)	(251,032)
Net profit for the year	249,145	236,522
Other comprehensive income (loss) for the year, net of income tax	142,569	(265,493)
Total comprehensive income for the year	\$ 645,017	\$ 222,061
Total comprehensive profit and loss attributable to non-controlling interests	\$ 326,492	\$ 114,739
Paid cash dividends to non-controlling interests	\$ 277,463	\$ 288,078

Cash flows

	Thai Fermentation Industry Co., Ltd.	
	2022	2021
Net cash generated from (used in) operating activities	\$ (122,885)	\$ 708,684
Net cash generated from investing activities	104,590	59,143
Net cash used in financing activities	(530,420)	(567,465)
Effect of foreign exchange rate change	134,690	(188,329)
Net increase(decrease) in cash and cash equivalents	(414,025)	12,033
Cash and cash equivalents at the beginning of the year	1,054,954	1,042,921
Cash and cash equivalents at the end of the year	\$ 640,929	\$ 1,054,954

5. In the third quarter of 2016, the subsidiary Thai Fermentation Industry Co., Ltd., which is included in the consolidated statement, acquired 200,000 ordinary shares of Champion Fermentation Co., Ltd. at 1,300 Baht per share (due to local laws and regulations in Thailand, out of which 5 shares are the equity is registered under the name of a natural person, and the registered equity of Thai

Fermentation Industry Co., Ltd. is 199,995 shares). After the reorganization, Champion Fermentation Co., Ltd. became the sub-subsidiary of the Company, and the Company still has control.

(IV) Classification of assets and liabilities as current and non-current

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within 12 months from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

(V) Foreign currency

Items include in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the company, The World Champion Co., Ltd., Summit Industrial Co., Ltd., Tai Ve Corporation and Green TFL Co., Ltd. is NTD, and the functional currency of Saigon Ve Wong Co., Ltd. is VND, The functional currency of Thai Fermentation Industry Co., Ltd. and Champion Fermentation Co., Ltd. is Baht, and the functional currency of Samoa Ve Wong International Ltd. and Samoa Best Founder Corporation is USD. When preparing consolidated financial statements, the operating results and financial status of each consolidated entity are converted into New Taiwan dollars.

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(VI) Cash and cash equivalent

Cash and cash equivalent include cash reserves, and current deposit balance, and the Bank deposits of which the principal maturity is under 3 months, and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

(VII) Inventory

Inventories are recorded at cost and calculated using the weighted average method. When calculating product costs, variable manufacturing expenses are amortized based on actual output, and fixed manufacturing expenses are amortized based on the normal production capacity of production equipment. However, when the actual output is not much different from the normal output, it can also be amortized. According to the actual output; if the actual output is abnormally higher than the normal capacity, it will be allocated according to the actual output.

Inventories are measured at the lower of cost or net realizable value. Net realizable value refers to the estimated selling price, minus the estimated cost to be completed and the estimated cost required to complete the sale. When the comparative cost and the net realizable value are lower, the comparison is made item by item. If the net realizable value of the finished product is expected to be equal to or higher than the cost, the raw materials used for the production of the finished product will not be offset below the cost. When the price of the raw materials drops and the cost of the finished product exceeds the net realizable value, The raw material is reduced to the net realizable value. The amount of inventory reduced from cost to net realizable value is recognized as cost of goods sold, and



the net realizable value of inventory is re-measured in each subsequent period. If the previous factors that caused the net realizable value of inventory to be lower than the cost have disappeared, there may be evidence. When the net realizable value increases due to changes in economic conditions, the increase in the net realizable value of inventories is reversed within the scope of the original write-off amount and recognized as the decrease in the cost of goods sold for the current year.

(VIII) Investments accounted for using equity method

The consolidated company uses the equity method to account for its investments in associates. Financial statements of associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. In any case, the difference between the end of the reporting period of the financial statements of associates and the Company shall not exceed 3 months. The main business of some associates is the sugar industry or its related industries. Due to industry characteristics (climate and harvest period and other factors), according to local business habits and accounting practices, their financial reporting period is based on the November system (that is, the accounting period is from November 1 of the current year to October 31 of the following year), but the difference from the end of the reporting period of the company's financial statements does not exceed 3 months.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the consolidated company's share of the profit or loss and other comprehensive income of the associate. An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. The consolidated company also recognizes the changes in the consolidated company's share of the equity of associates attributable in the consolidated company. When the consolidated company's share of losses of an associate equals or exceeds its interest in that associate, the consolidated company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the consolidated company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over the consolidated company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the consolidated company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the consolidated company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The consolidated company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the consolidated company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities.

When the consolidated company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the consolidated financial statements only to the extent of interest in the associate that are not related to the consolidated company.

(IX) Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less accumulated depreciation and any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified in the appropriate categories of property, plant and equipment when completed and ready for intended use.

For the original cost of some property on January 1, 2012 (the date of conversion to IFRS), the cost was determined based on the application of IFRS No. 1 exemption requirements.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: buildings - 15 to 55 years; machinery and equipment - 5 to 15 years; and Transportation Equipment 5 to 10 years; Miscellaneous equipment 3 to 8 years; Other equipment 3 to 12 years; Idled Assets 8 to 27 years. When the main components of property, plant and equipment have different service life, they are treated as separate items. The estimated useful lives,

residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

(X)Leases

If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease

Lessor

The lessor classifies each lease as an operating lease or a finance lease. A lease that transfers almost all the risks and rewards attached to the ownership of the underlying asset is a financial lease; if a lease does not transfer almost all the risks and rewards attached to the ownership of the underlying asset, it is an operating lease.

If it is an operating lease, the lessor recognizes the lease payments as income on a straight-line basis, but if other systematic basis is more representative of the form of reduced use efficiency of the underlying asset, this basis applies. If it is a financial lease, the lessor shall recognize the financial lease receivables and the unearned financial income of the financial lease on the lease start date, and adopt a systematic and reasonable basis to allocate the financial income to the lease period, so that each period of the lease period has a fixed rate of return.

Lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease. The right-of-use asset is measured at cost, and the lease liability is based on the present value of the lease payment not yet paid on that date.

The right-of-use asset shall be depreciated, and its depreciation period shall be the earlier of the period from the beginning of the lease to the end of the useful life of the right-of-use asset or the expiration of the lease term ; However, if the lessee will acquire the ownership of the leased asset at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of the purchase option, the depreciation period is from the lease start date to the end of the useful life of the underlying asset.

Lease liabilities use the effective interest rate method to calculate interest expenses, so that the interest rate of each period calculated based on the lease liability balance is fixed. Lease payments are used to pay interest and reduce lease liabilities. The interest on lease liabilities is recognized in profit or loss

(XI)Investment properties

If the consolidated company's property is not for sale at the end of the reporting period, nor is it used for the production or provision of goods or services, or for management purposes, it is classified as investment properties.

An investment property is stated initially at its cost and measured subsequently using the cost model. For the original cost of investment properties on January 1, 2012 (the date of conversion to IFRS), the exemption provisions of IFRS No. 1 were selected and the cost was determined. Buildings on investment property are computed using the straight-line method mainly over the following estimated useful lives of 5 to 27 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

(XII)Intangible Assets

1.Goodwill

The consolidated company chose to apply the exemption provisions of IFRS 1 for business combinations that occurred before January 1, 2012 (the date of transition to IFRS). Therefore, for the amount of goodwill generated by business combinations before that date, it is presented based on the amount recognized by the generally accepted accounting principles before adopted the IFRS. At the time of initial recognition, it is recognized as an asset at the original cost, and it will not be amortized in the subsequent period. It is measured by cost less accumulated impairment.

## 2. Other intangible assets

Other separately acquired intangible assets with a limited useful life are presented at cost minus accumulated amortization and accumulated impairment. The amortization amount is calculated on the basis of the 3 year service life based on the straight-line method. The estimated service life and amortization method are reviewed at the end of the reporting period. If there is any change in the estimate, the impact will be postponed and adjusted.

### (XIII) Impairment of asset

At the end of each reporting period, the consolidated company reviews the carrying amounts of its assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is evaluated based on the present value of estimated future cash flows, discounted at the current market-determined rate, and certain risk assumptions which impact future cash flows.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

Goodwill shall be tested for impairment regularly every year, and the impairment loss shall be recognized in the profit and loss of the current year and shall not be reversed in subsequent periods.

### (XIV) Non-current Assets Held for Sale

Non-current assets are classified as held for sale when recovery of their carrying amount is expected to be principally through a sale transaction rather than continuing use. To qualify for this classification, an illiquid asset must be available for immediate sale in its current state, and the sale must be highly probable. A sale is likely to qualify when the appropriate level of management is committed to a plan to sell the asset and the sale is expected to be completed within one year of the classification date. Non-current assets held for sale are measured at the lower of book value and fair value minus disposal costs, and no depreciation is provided.

### (XV) Financial instruments

Financial assets and financial liabilities are recognized only when the company becomes a party to the contractual terms of financial instruments. At the time of initial recognition, it should be measured at fair value. If it is not a financial asset or financial liability that is measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition or the issuance of the financial asset or financial liability should be added or subtracted. However, accounts receivable that do not contain a significant financial component should be measured as the transaction price when initially recognized.

Financial assets are only delisted when one of the following conditions is met : (1) Invalidation of contractual rights from cash flow of financial assets ; (2) Almost all risks and rewards of transferring ownership of financial assets, or almost all risks and rewards of ownership of the financial assets are neither transferred nor retained, and control of the financial assets is not retained.

For financial products with an active market, the fair value is based on the publicly quoted prices in the active market; for financial products without an active market, the fair value is estimated by the evaluation method.

The recognition and delisting of conventional transaction financial assets are based on the transaction day accounting treatment.

## 1. Financial assets

Financial assets are based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets. Financial assets held by the Company are classified into measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

### Measured at amortized cost

If a financial asset meets the following two conditions at the same time, it will be measured at the amortized cost :

- a. Financial assets are held under a certain business model. The purpose of this model is to hold financial assets to collect contractual cash flows.
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

For financial assets measured at amortized cost, their benefits or losses are recognized in profit and loss, but if they are part of a hedging relationship, they are treated as hedging accounting.

Interest income is calculated using the effective interest method.

### At fair value through other comprehensive income

If a financial asset meets the following two conditions at the same time, it will be measured at fair value through other comprehensive income :

- a. Financial assets are held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets ; and
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Benefits or losses are recognized in other comprehensive profit and loss, except for derogation benefits or losses and foreign currency exchange gains and losses. When assets are delisted, the accumulated benefits or losses listed in other comprehensive profit and loss are reclassified from equity to profit and loss.

If the investment in a specific equity instrument that should be measured at fair value through profit and loss is not held for trading, nor is it a contingent consideration recognized in a business combination, an irrevocable choice can be made at the time of initial recognition and its subsequent fairness. Changes in value are reported in other comprehensive income. In this case, the profit or loss is recognized in other comprehensive profits and losses, but dividends that are not investment cost recovery are included in the profits and losses. When assets are delisted, the accumulated benefits or losses listed in the other comprehensive profit and loss shall not be reclassified to profit and loss.

### Measured at fair value through profit and loss

Financial assets are all measured at fair value through profit and loss, except when measured at amortized cost or at fair value through other comprehensive profits and losses.

At the time of initial recognition, financial assets can be irrevocably designated as measured at fair value through profit and loss to eliminate or significantly reduce. If not designated, it will be measured by using different basis to measure assets or liabilities or recognizing its benefits and losses. Or the recognition is inconsistent.

The benefit or loss is recognized in the profit and loss, but if it is part of the hedging relationship, it shall be treated as hedging accounting.

## 2. Financial liabilities

Financial liabilities shall be classified as measured at amortized cost, except for derivatives that do not comply with hedging accounting, designated as measured at fair value through profit and loss, and contingent consideration in a business combination that shall be classified as measured at fair value through profit or loss. Measured, except for financial liabilities that are not in compliance with delisted transfers or continuous participation in transferring assets, financial guarantee contracts, and commitments to provide loans at lower than market interest rates.

## 3. Impairment

Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gains and losses, contract assets and loan commitments under applicable

impairment regulations, and financial guarantee contracts to measure impairment based on the expected credit loss model. If the credit risk of a financial instrument has increased significantly since its initial recognition, the allowable loss is measured in the amount of expected credit loss during the duration of each reporting day ; If the credit risk of a financial instrument has not increased significantly since the initial recognition, the 12-month expected credit loss amount will be used to measure the allowable loss on the reporting date. However, the company's impact on transactions within the scope of IFRS 15 For accounts receivable or contract assets that do not contain significant financial components, the simplified method is adopted to measure the allowable loss based on the expected credit loss amount during the duration.

(XVI) Reserve for liabilities

The reserve for liabilities shall be recognized when the consolidated company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

(XVII) Employee benefits

Payments to the defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

(XVIII) Government Grants

Government grants are recognized only when it is reasonably certain that the consolidated company will comply with the conditions attached to the government subsidies and will receive such subsidies.

Government grants are recognized in the profit and loss on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the consolidated company. Government grants that are conditional on the acquisition, construction or other means of acquisition of non-current assets of the consolidated company are recognized as deferred income and transferred to profit and loss during the useful life of the relevant assets at a reasonable and systematic basis.

If the government grants are used to compensate for expenses or losses that have occurred, or is for the purpose of providing immediate financial support to the consolidated company and there is no future related costs, it is recognized in the profit and loss during the period when it can be received.

(XIX) Revenue Recognition

Revenue is measured by the expected consideration in which the consolidated company has the right to acquire from the product transfer or labor service.

The consolidated company recognizes revenue from contracts with customers by applying the following steps:

- (1) Identify the contract with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognize revenue when (or as) the entity satisfies its performance obligations.

The consolidated company provides goods in accordance with the contract, recognizes revenue when meeting performance obligations, and usually meets performance obligations when transferring goods. The revenue generated by the provision of labor services in accordance with the contract is recognized, according to the degree of completion of the contract (output method or input method).

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Before the customer pays the consideration or before the payment can be received from the customer, the contract has been performed by transferring goods or services to the customer, and the performance amount is recognized as a contract asset. However, if there is an unconditional right to the consideration of the contract and it can be collected from the customer only after time has passed, the performance amount shall be recognized as a receivable.

The consideration received from customers prior to the Company having satisfied its performance obligations are accounted for as contract liabilities.

(XX)Non-operating income

Dividends

Revenue is recognized when the Company's right to receive the dividends is established, which is generally when stockholders approve the dividend.

Interest income

Interest income is recorded using the effective interest method and recognized in profit or loss.

(XXI)Income tax

The income tax consists of current income tax and deferred income tax. The current income tax and deferred income tax shall be recognized in profit or loss, other than the income tax related to combined entities, and items stated into other comprehensive income or stated into equity directly.

The current income tax includes the projected income tax payable or tax refund receivable based on the current taxable income (loss), and the adjustment of income tax payable or tax refund receivable in the previous years. The amount refers to the best estimates of the expected payables or receivables measured on the basis of the statutory tax rate or tax rate substantially enacted on the reporting date. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XXII)Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the current reporting period. The diluted EPS is calculated upon the adjustment of the effect of all potential diluted common stocks based on the income vested in the common stockholders and the number of shares of the weighted average outstanding common stock.

(XXIII)Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as an expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXIV)Operating segments information

An operating segment is a component of an entity, that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## **V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the consolidated company's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets or liabilities within the next fiscal year are discussed below.

### **(I) Revenue recognition**

In principle, sales revenue is recognized when the profit-making process is completed. The withdrawal of related returns and discounts is based on historical experience and consideration of different contract conditions to estimate possible sales returns and discounts when the product is sold. The current period is recognized as deductions and refund liabilities of sales revenue (other payables and other current liabilities are accounted for), and the consolidated company regularly reviews the reasonableness of the estimates.

### **(II) Asset impairment assessment (except goodwill)**

In the process of asset impairment assessment, the consolidated company needs to rely on subjective judgments, including identifying cash-generating units and determining the recoverable amount of cash-generating units based on asset usage patterns and industrial characteristics. Any estimates brought about by changes in economic conditions or company strategies Changes may cause significant impairment in the future.

### **(III) Goodwill impairment assessment**

The assessment process of goodwill impairment relies on the subjective judgment of the consolidated company, including identifying the cash-generating unit, allocating assets and liabilities to the relevant cash-generating unit, allocating goodwill to the relevant cash-generating unit, and determining the recoverable amount of the relevant cash-generating unit.

### **(IV) Investment using the equity method impairment assessment**

When there is an indication of impairment that the investment using equity method may have been impaired and the book value may not be recoverable, the consolidated company immediately conducts an impairment assessment on the investment. The management of the consolidated company assesses the impairment based on the operating conditions and future cash flow forecasts of the investee company, including the sales growth rate and capacity utilization rate estimated by the internal management of the investee company. The amalgamating company will also consider relevant market and industry profiles to determine the reasonableness of its underlying assumptions.

### **(V) Income tax**

The uncertainty of income tax lies in the interpretation of complex tax regulations, the amount of taxable income generated in the future, the difference between the actual results and the assumptions made, or the changes in these assumptions in the future, which may lead to the recorded income. Income tax benefits and expenses will be adjusted in the future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2022 and 2021, the carrying amount of deferred income tax assets was \$21,256 and \$37,181, respectively.

(VI) Net defined benefit liability

When calculating and determining the present value of employee benefit obligations, the consolidated company must use judgments and estimates to determine the relevant actuarial assumptions at the end of the financial reporting period, including the discount rate and the expected rate of return of the planned assets. Any change in actuarial assumptions may significantly affect the amount of the consolidated company's determined benefit obligations.

As of December 31, 2022 and 2021, the carrying amount of Net defined benefit liability was \$252,881 and \$284,805, respectively.

(VII) Estimated impairment of financial assets

The consolidated company adopts IFRS 9 to recognize the allowable loss of accounts receivable (including notes receivable and accounts receivable) based on the expected credit loss during the duration. The expected credit loss during the duration is based on historical experience and individual considerations. The financial status of customers and their industries and forward-looking information will be estimated and adjusted. If the expected cash received in the future is different from the original estimate, the difference will affect the book value of the receivables and allowance for losses in the year when the estimate is changed.

The consolidated company holds financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive gains and losses. Among them, the fair value measurement of the stocks of unlisted companies without an active market involves multiple assumptions. Including the used evaluation methods, decisions of comparable companies, price-to-earnings ratios and liquidity discounts, etc., subject to subjective judgment and high uncertainty, and the results of their measurement have an impact on financial statements.

As of December 31 2022 and 2021, the book value of notes and accounts receivable was \$493,355 (after deducting allowance for impairment loss of \$7,628) and \$463,708 (after deducting allowance for impairment loss of \$6,753).

In 2022 and 2021, the consolidated company recognized the financial asset evaluation benefits (loss) of stocks of unlisted companies with no active market was \$(10,792) and \$3,786, respectively.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	As at December 31,	
	2022	2021
Cash	\$ 1,780	\$ 1,292
Checking deposits	111,974	48,940
Demand deposits	187,308	135,047
Foreign currency deposits	733,823	1,344,342
Fixed deposit no more than 3 months	253,854	40,876
Total	\$ 1,288,739	\$ 1,570,497

1. The consolidated company did not pledge any cash and cash equivalents as collateral.

2. The market rate intervals of fixed deposit at the end of the reporting period were as follows :

	As at December 31,	
	2022	2021
Fixed deposit no more than 3 months	0.35%-4.83%	0.125%-0.50%

(II) Financial assets at fair value through profit or loss-noncurrent

	As at December 31,	
	2022	2021
Unlisted stocks	\$ -	\$ -
Valuation adjustment	-	-
Total	\$ -	\$ -



(III) Financial assets measured at amortized cost -current assets

	As at December 31,	
	2022	2021
<u>Current assets</u>		
Fixed deposit -more than 3 months within 1 year	\$ 265,357	\$ 312,227
Mutual funds- more than 3 months within 1 year	43,670	38,963
Subtotal of current assets	<u>309,027</u>	<u>351,190</u>
<u>Noncurrent assets</u>		
Government Bonds- more than 1 year	8,857	8,341
Mutual funds-- more than 1 year	42,796	40,705
Subtotal of noncurrent assets	<u>51,653</u>	<u>49,046</u>
Total	<u>\$ 360,680</u>	<u>\$ 400,236</u>

	As at December 31,	
	2022	2021
<u>Market rate</u>		
Fixed deposit -more than 3 months within 1 year	0.375%-5.2%	0.27%-3.9%
Mutual funds- more than 3 months within 1 year	5.15%-6.75%	3.9%-6.1%
Government Bonds- more than 1 year	4.5%	4.5%
Mutual funds-- more than 1 year	4.70%-6.75%	5.15%-6.75%

(IV) Notes and accounts receivable, net

	As at December 31,	
	2022	2021
<u>Notes receivable</u>	<u>\$ 121,193</u>	<u>\$ 134,682</u>
<u>Accounts receivable</u>	<u>\$ 379,790</u>	<u>\$ 335,779</u>
Less: allowance for impairment loss	(7,628)	(6,753)
Net accounts receivable	<u>\$ 372,162</u>	<u>\$ 329,026</u>

The consolidated company's average credit period for account receivables arising from the sale of goods is 90 days, and notes and accounts receivable are non-interest-bearing.

The consolidated company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date. As of December 31, 2022 and 2021, the analysis of the consolidated company's expected credit losses on the notes and accounts receivable is as follows:

The ageing analysis of unimpaired receivables is as follows :

	As at December 31, 2022		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 222,340	-	\$ -
Overdue within 90 days	-	-	-
Overdue for 91~180 days	-	-	-
Overdue over 181 days	-	-	-
Total	<u>\$ 222,340</u>		<u>\$ -</u>

	As at December 31, 2021		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 206,413	-	\$ -
Overdue within 90 days	-	-	-
Overdue for 91~180 days	3	-	-
Overdue over 181 days	-	-	-
Total	<u>\$ 206,416</u>		<u>\$ -</u>

The analysis of the consolidated company's expected credit losses on the notes and accounts receivable is as follows:

	As at December 31, 2022		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 272,407	1.00%	\$ 2,724
Overdue within 90 days	961	10.00%	96
Overdue for 91~180 days	935	50.00%	468
Overdue over 181 days	4,340	100.00%	4,340
Total	<u>\$ 278,643</u>		<u>\$ 7,628</u>

	As at December 31, 2021		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 259,267	1.00%	\$ 2,593
Overdue within 90 days	681	10.00%	68
Overdue for 91~180 days	10	50.00%	5
Overdue over 181 days	4,087	100.00%	4,087
Total	<u>\$ 264,045</u>		<u>\$ 6,753</u>

The statement of changes in the impairment loss allowance for the notes and accounts receivable of the consolidated company is as follows:

	For the years ended December 31,	
	2022	2021
Beginning balance	\$ 6,753	\$ 8,650
Recognized impairment loss (reversal)	544	(1,745)
Effect of foreign exchange rate change	331	(152)
Ending balance	<u>\$ 7,628</u>	<u>\$ 6,753</u>

Regardless of other credit enhancements, the notes receivable that best represent the consolidated company's credit risk exposures as of December 31, 2022 and 2021 was \$121,193 and \$134,682, respectively; the most representative of the consolidated company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2022 and 2021 were \$372,162 and \$329,026, respectively.

(V) Inventory

	As at December 31,	
	2022	2021
Raw materials	\$ 395,358	\$ 426,212
Supplies	61,471	49,405
Work in progress	730,683	313,479
Finished goods	688,719	470,599
Goods in transit	215,150	193,371
Total	2,091,381	1,453,066
Less: Allowance to reduce inventory to market	(4,449)	(3,462)
Net	\$ 2,086,932	\$ 1,449,604

The cost of inventories recognized as expense for the year :

	For the years ended December 31,	
	2022	2021
Cost of goods sold	\$ 4,527,145	\$ 3,895,424
Loss on discarding of inventory	4,737	5,066
(Reversal of allowance) provision for inventory market price decline	987	(1,875)
Income from sale of scraps	(5,345)	(4,049)
Subtotal	379	(858)
Rental cost	32,854	34,157
Total	\$ 4,560,378	\$ 3,928,723

The reversal of net realizable value and the decrease of the cost of goods sold were recognized due to the disposal of certain inventories, which were previously provided with an allowance for the price decline.

(VI) Financial assets at fair value through other comprehensive income-noncurrent

	As at December 31,	
	2022	2021
Listed stocks	\$ 103,207	\$ 100,543
Unlisted stocks	49,026	49,026
Subtotal	152,233	149,569
Valuation adjustment	104,101	165,713
Total	\$ 256,334	\$ 315,282

(VII) Other financial assets-noncurrent

	As at December 31,	
	2022	2021
Bank- special account for repatriation of overseas funds (Note)	\$ 465,435	\$ 580,354
Bank-restricted	11,101	12,679
Stimulus voucher	-	6,931
Total	\$ 476,536	\$ 599,964

Note : It is a special foreign exchange deposit account of the overseas fund repatriation management and taxation regulations applicable to the consolidated company's allocation of overseas dividend income, which is dedicated to investment planning expenditures.

(VIII) Investments accounted for using equity method

<u>Name</u>	<u>Number of thousand shares</u>	<u>Book value</u>	<u>Percentage held</u>
<u>As at December 31, 2021</u>			
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
PT Ve Wong Budi Indonesia	64	\$ -	49.00
K.S.L. IT Center Co., Ltd.	5	3,682	50.00
TFI Green Biotech Company Limited	50	15,559	50.00
Hughes Biotech. Co., Ltd.	1,514	12,033	33.65
		<u>31,274</u>	
		<u>(8,808)</u>	
Total		<u>\$ 22,466</u>	

As at December 31, 2021

Investments in associates

Unlisted companies :

PT Ve Wong Budi Indonesia	64	\$ -	49.00
Koh Kong Plantation Co., Ltd.	-	7,574	20.00
Koh Kong Sugar Industry Co., Ltd.	-	64,108	11.98
K.S.L. IT Center Co., Ltd.	5	3,675	50.00
TFI Green Biotech Company Limited	50	12,472	50.00
Hughes Biotech. Co., Ltd.	1,125	11,151	34.62
		<u>98,980</u>	
		<u>(8,808)</u>	
Total		<u>\$ 90,172</u>	

1. Disclosure matters and related instructions of PT Ve Wong Budi Indonesia :

- (1) In the second half of 2006, the Company was no longer able to participate in and control or understand the operations of PT Ve Wong Budi Indonesia, and the Company has indeed lost control of PT Ve Wong Budi Indonesia.
- (2) The Company invested in PT Ve Wong Budi Indonesia may suffer losses or damages, and whether it is likely to incur contingent liabilities, after consulting with legal experts to issue an opinion that: the company's obligations are limited to the amount of capital contributed and not exceeding the shareholders' assets.
- (3) The book balance of investment in PT Ve Wong Budi Indonesia, capital loans and advances to PT Ve Wong Budi Indonesia has all been reduced to zero in 2006.
- (4) PT Ve Wong Budi Indonesia was approved by the local court to conduct statutory liquidation procedures, and the Indonesian shareholders handled the liquidation matters in August 2015.

2. In addition to the above items, the consolidated company uses equity method of investment and its share of profits and losses and other comprehensive profits and losses, in 2022 Hughes Biotech. Co., Ltd., and in 2021 including Koh Kong Plantation Co., Ltd., Koh Kong Sugar Industry Co., Ltd. and Hughes Biotech. Co., Ltd., is based on the financial statements of the investee company audited by independent Auditors' report, to calculate, recognize and disclose various financial information.

3. The World Champion Co., Ltd., a subsidiary included in the consolidated financial statements, holds the Company's stocks, because the Company follows IAS 32 「Financial Instruments: Presentation」 and treats them as treasury stocks. On December 31, 2022 and 2021, the above transactions were reclassified and offset, and were classified as treasury stocks under the owner's equity, and the amount was both \$38,464. For the relevant details of treasury stocks, please refer to Note VI (XXI) of treasury stocks in the consolidated financial statements. In addition, in accordance with the relevant accounting treatment instructions of IAS 32 "Financial Instruments: Presentation", the Company shall pay \$2,523, in cash dividends to The World Champion Co., Ltd. in 2022 and 2021, and use the equity method to offset the cash dividends

based on the shareholding ratio. The profit and loss share of The World Champion Co., Ltd., and the adjustment of the "capital surplus-treasury stock transaction" amounted to \$2,523.

4. In May 2022, the Company participated in the cash capital increase of Hughes Biotech. Co., Ltd. an affiliated company, with an additional investment cost of \$3,894 and increased holdings of 389,000 shares. In 2021, the Company recognized the associated company Hughes Biotech. Co., Ltd. as impairment loss \$8,808.

5. In order to comply with Cambodian laws and regulations, the company adjusted the investment organization of Cambodia's investment in the equity method, and established a subsidiary company "Best Founder Corporation" in Samoa with 100% of the company's shares to replace the company's original investment in Cambodia. " Koh Kong Plantation Co., Ltd." investment company.

The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. and Koh Kong Plantation Co., Ltd. was listed as "non-current assets held for sale" in the second quarter of 2022, and sold all its shares in the third quarter of 2022, please refer to Note VI (XXVI).

The financial information on the consolidated company's significant Associate is summarized as follows :

	As at December 31,	
	2022	2021
Current assets	\$ 10,118	\$ 18,397
Noncurrent assets	\$ 1,670	\$ 1,464,770
Current liabilities	\$ 1,376	\$ 820,764
Noncurrent liabilities	\$ -	\$ 82,463
Net assets	\$ 10,412	\$ 579,940
The consolidated company's rights	\$ 3,504	\$ 74,025
Book value	\$ 3,225	\$ 74,025

	For the years ended December 31,	
	2022	2021
Revenue	\$ 1,108	\$ 124
Net Loss	\$ (8,857)	\$ (50,887)
Total comprehensive income	\$ (8,857)	\$ (59,654)
Total profit and loss attributable to the consolidated company	\$ (3,013)	\$ (8,625)
Total other comprehensive profit and loss attributable to the consolidated company	\$ -	\$ (980)
Total comprehensive profit and loss attributable to the consolidated company	\$ (3,013)	\$ (9,605)

Note : In 2022 was Hughes Biotech. Co., Ltd., and In 2021 including Koh Kong Plantation Co., Ltd., Koh Kong Sugar Industry Co., Ltd. and Hughes Biotech. Co., Ltd.

#### (IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2022 and 2021 were as follows :

	Land	Buildings	Machinery and equipment	Transportation Equipment	Miscellaneous equipment	Other equipment	Idled Assets	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2021	\$ 1,590,488	\$ 1,026,970	\$ 3,071,234	\$ 217,690	\$ 59,188	\$ 40,972	\$ 703,677	\$ -	\$ 6,710,219

(next)

(continued)

Additions	-	3,700	48,086	1,390	2,279	848	-	10,252	66,555
Disposals	-	(588)	(30,277)	(5,798)	(1,894)	(149)	-	-	(38,706)
Transferred	-	1,139	25,997	-	-	-	-	(1,537)	25,599
Effect of foreign exchange rate change	(16,957)	(37,822)	(197,364)	(9,646)	(2,152)	(296)	-	(607)	(264,844)
Balance at December 31, 2021	1,573,531	993,399	2,917,676	203,636	57,421	41,375	703,677	8,108	6,498,823
Additions	-	1,184	24,723	1,345	1,457	963	-	113,122	142,794
Disposals	-	-	(32,236)	(5,603)	(117)	-	-	-	(37,956)
Transferred	-	13,230	14,289	-	-	-	-	(9,964)	17,555
Effect of foreign exchange rate change	9,242	30,395	127,713	6,250	1,548	161	-	501	175,810
Balance at December 31, 2022	<u>\$ 1,582,773</u>	<u>\$ 1,038,208</u>	<u>\$ 3,052,165</u>	<u>\$ 205,628</u>	<u>\$ 60,309</u>	<u>\$ 42,499</u>	<u>\$ 703,677</u>	<u>\$ 111,767</u>	<u>\$ 6,797,026</u>

Accumulated depreciation

Balance at January 1, 2021	\$ -	\$ 707,672	\$ 2,728,193	\$ 182,111	\$ 54,700	\$ 23,001	\$ 15,526	\$ -	\$ 3,711,203
Depreciation	-	31,370	64,547	11,997	1,236	3,833	-	-	112,983
Disposals	-	(583)	(30,118)	(5,761)	(1,816)	(146)	-	-	(38,424)
Effect of foreign exchange rate change	-	(33,283)	(188,519)	(8,540)	(2,122)	(238)	-	-	(232,702)
Balance at December 31, 2021	-	705,176	2,574,103	179,807	51,998	26,450	15,526	-	3,553,060
Depreciation	-	31,758	65,639	9,011	1,247	3,640	-	-	111,295
Disposals	-	-	(32,094)	(5,557)	(116)	-	-	-	(37,767)
Effect of foreign exchange rate change	-	27,700	120,728	5,657	1,501	138	-	-	155,724
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 764,634</u>	<u>\$ 2,728,376</u>	<u>\$ 188,918</u>	<u>\$ 54,630</u>	<u>\$ 30,228</u>	<u>\$ 15,526</u>	<u>\$ -</u>	<u>\$ 3,782,312</u>

Accumulated impairment

Balance at January 1, 2021	\$ 45,696	\$ 14,190	\$ 114	\$ -	\$ 12	\$ -	\$ 7,138	\$ -	\$ 67,150
Balance at December 31, 2021	45,696	14,190	114	-	12	-	7,138	-	67,150
Reversal	-	(14,190)	-	-	-	-	-	-	(14,190)
Transferred	-	-	12	-	(12)	-	-	-	-
Disposals	-	-	(126)	-	-	-	-	-	(126)
Balance at December 31, 2022	<u>\$ 45,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,138</u>	<u>\$ -</u>	<u>\$ 52,834</u>
Add (less)									

(next)

(continued)

Book value

December 31,  
2021

\$ 1,527,835    \$ 274,033    \$ 343,459    \$ 23,829    \$ 5,411    \$ 14,925    \$ 681,013    \$ 8,108    \$ 2,878,613

December 31,  
2022

\$ 1,537,077    \$ 273,574    \$ 323,789    \$ 16,710    \$ 5,679    \$ 12,271    \$ 681,013    \$ 111,767    \$ 2,961,880

- 1.The property and plant proved mortgage conditions, please refer to note VIII.
- 2.As of the end of 2022 and 2021, the insurance coverage of Property, plant and equipment was \$622,156 and \$598,369, respectively.
- 3.As of December 31, 2021, the recoverable amount (net fair value) of some of the consolidated company's Property, plant and equipment was less than the book value of \$67,150, and the accumulated impairment after deduction was \$67,150. In 2022, the consolidated company disposed of some of the impairment equipment, thus writing off the accumulated impairment \$126. At the end of 2022, according to the real estate valuation report issued by an external independent professional appraisal agency and the valuation results of the consolidated company, the above Property, plant and equipment impairment losses decreased by \$14,190, therefore was recognized reversal benefit \$14,190 in 2022. As of December 31, 2022, the recoverable amount (net fair value) of some of the consolidated company's Property, plant and equipment was less than the book value of \$52,834, and the accumulated impairment after deduction was \$52,834.
- 4.According to the real estate appraisal report issued by an external independent professional appraisal agency and the consolidated company's evaluation, as of December 31, 2022, the total fair value of the above-mentioned Property, plant and equipment was \$6,607,472(including the fair value belongs to the second level was \$6,229,331 and the fair value belongs the the third level was 378,141) ; as of December 31, 2021, the total fair value of the above-mentioned Property, plant and equipment was \$6,116,343(including the fair value belongs to the second level was \$5,680,035 and the fair value belongs the the third level was \$436,308, according to the appraisal results of the consolidated company, the fair value of the above property, plant and equipment as at December 31, 2021 has not changed significantly.
- 5.Regarding the evaluation method of the fair value of Property, plant and equipment, in 2022 the land was mainly estimated by the comparison method and the income method or the land development analysis method (using each weight 40%~60%), and the building was estimated by the cost method and the income method or the comparison method (50% of each weight), the important assumption is the income capitalization rate (1.88%-3.80%) and the direct capitalization method of the income method (1.36%-3.74%) ; in 2020 the land was mainly estimated by the comparison method and the income method or the land development analysis method (using each weight 30%~70%), and the building was estimated by the cost method and the income method or the comparison method (50% of each weight), the important assumption is the income capitalization rate (1.88%-4.77%) and the direct capitalization method of the income method (1.36%-3.74%).

(X) Right-of-use assets

The movement of right-of-use assets for the years ended December 31, 2022 and 2021 were as follows :

	Land	Bulidings	Transportation Equipment	Total of cost	Accumulated depreciation	Net
Balance at						
January 1, 2021	\$ 77,694	\$ 17,610	\$ 14,594	\$ 109,898	\$ (23,528 )	\$ 86,370
Additions	-	19,076	16,920	35,996	-	35,996
Less	-	(10,870 )	(10,748 )	(21,618 )	21,618	-
Depreciation	-	-	-	-	(16,729 )	(16,729 )

(next)

(continued)

Effect of foreign exchange rate change	(868)	(121)	(2,150)	(3,139)	1,026	(2,113)
December 31, 2021	76,826	25,695	18,616	121,137	(17,613)	103,524
Additions	-	965	-	965	-	965
Less	-	(947)	-	(947)	947	-
Depreciation	-	-	-	-	(15,527)	(15,527)
Effect of foreign exchange rate change	5,620	67	1,356	7,043	(1,581)	5,462
December 31, 2022	<u>\$ 82,446</u>	<u>\$ 25,780</u>	<u>\$ 19,972</u>	<u>\$ 128,198</u>	<u>\$ (33,774)</u>	<u>\$ 94,424</u>

The depreciation expenses of the right-of-use assets of the consolidated company in 2022 and 2021 were \$16,729 and \$16,729, respectively.

#### (XI) Investments properties

The movement of investments properties for the years ended December 31, 2022 and 2021 were as follows :

	Land	Bulidings	Other	Construction in Progress	Total of cost	Accumlated depreciation	Accumlated impairment	Net
Balance at January 1, 2021	\$ 1,463,992	\$ 71,946	\$ 64	\$ -	\$ 1,536,002	\$ 59,797	\$ 38,830	\$ 1,441,223
Depreciation	-	-	-	-	-	1,344	-	(1,344)
Effect of foreign exchange rate change	(10,285)	(1,156)	-	-	(11,441)	(976)	-	(10,465)
December 31, 2021	1,453,707	70,790	64	-	1,524,561	60,165	34,982	1,429,414
Additions	-	-	-	88,870	88,870	-	-	88,870
Depreciation	-	-	-	-	-	1,286	-	(1,286)
Effect of foreign exchange rate change	5,606	630	-	-	6,236	564	-	5,672
December 31, 2022	<u>\$ 1,459,313</u>	<u>\$ 71,420</u>	<u>\$ 64</u>	<u>\$ 88,870</u>	<u>\$ 1,619,667</u>	<u>\$ 62,015</u>	<u>\$ 34,982</u>	<u>\$ 1,522,670</u>

- 1.The cost model is adopted for the measurement after the recognition of the investments properties.
- 2.As of the end of 2022 and 2021, the insurance coverage of investments properties was \$256,112 and \$266,766, respectively.
- 3.As of December 31, 2022 and 2021, the recoverable amount (net fair value) of some of the consolidated company's investments properties was less than the book value of \$34,982, and the accumulated impairment after deduction was \$34,982.
- 4.The rental income from investments properties in 2022 and 2021 was \$58,974 and \$56,554, direct operating expenses incurred was \$32,854 and \$34,157, respectively.
- 5.According to the real estate appraisal report issued by an external independent professional appraisal agency and the consolidated company's evaluation, the fair value of the above-mentioned investments properties as of December 31, 2022 totaled \$4,218,860 (the fair value belongs to the second level) ; the fair value of the above-mentioned investments properties as of December 31, 2020 totaled \$3,919,528 (the fair value belongs to the second level), the fair value of the above Investments properties as at December 31, 2021 has not changed significantly.
- 6.Regarding the evaluation method of the fair value of investments properties, the land in the year of 2022 was mainly estimated by the comparison method and the income method or the land development analysis method (using each weight 30%~70%), and the building was estimated by the cost method and the income method or the comparison method (50% of each weight), its important assumptions was as follows :



	As at December 31,	
	2022	2020
Income capitalization rate	1.235%-3.28%	1.235%-3.28%
Comprehensive rate of capital interest in land development analysis method	1.41%-3.74%	1.41%-3.74%

7. For the assets of the consolidated company pledged as collateral, please refer to note VIII.

(XII) Prepayments for equipment

	For the years ended December 31,	
	2022	2021
Prepayment for equipment and other equipment	\$ 167,861	\$ 74,558

(XIII) Prepayments and other assets

	As at December 31,	
	2022	2021
Prepayments to suppliers	\$ 12,560	\$ 1,504
Prepaid expenses	5,832	8,821
Other receivables	324,484	315,219
Less: allowance for impairment loss -other receivables	(310,096)	(310,096)
Overdue receivables	8,513	7,070
Less: allowance for impairment loss -overdue receivables	(8,513)	(7,070)
Goodwill	48,196	48,196
Other intangible assets	5,825	7,853
Miscellaneous	29,400	31,065
Other	95,287	29,739
Total	\$ 211,488	\$ 132,301
Current items	\$ 144,911	\$ 56,235
Noncurrent items	66,577	76,066
Total	\$ 211,488	\$ 132,301

Other receivables and overdue collections belong to the part of the receivables over one year, and all allowances for losses have been provided.

The statement of changes in the loss allowance is as follows:

	For the years ended December 31,	
	2022	2021
Beginning balance	\$ 317,166	\$ 316,659
Recognized impairment loss	1,443	507
Ending balance	\$ 318,609	\$ 317,166

The goodwill of the consolidated company was generated by the acquisition of 35% equity of Saigon Ve Wong Co., Ltd. in 2007. The consolidated company adopted value in use as the recoverable amount of the goodwill. The discount rates adopted on December 31, 2022 and 2021 were 5.0% and 1.5%, respectively.

(XIV) Short-term loans

	As at December 31,	
	2022	2021
Secured loans	\$ 710,000	\$ 530,000
Unsecured loans	243,000	323,000
Total	\$ 953,000	\$ 853,000
Range of interest rates	1.471%-1.925%	0.95%-1.35%

For the assets of the consolidated company pledged as collateral, please refer to note VIII.

(XV) Lease liabilities

The analysis of the consolidated company's lease liabilities is as follows:

	<u>Minimum rent payment of future</u>	<u>Interest expense</u>	<u>Present value of minimum rent payment</u>
As at December 31, 2022			
Not later than 1 year	\$ 15,570	\$ 3,332	\$ 12,238
Later than 1 year and not later than 5 years	38,791	10,727	28,064
Later than 6 year	73,811	16,402	57,409
Total	<u>\$ 128,172</u>	<u>\$ 30,461</u>	<u>\$ 97,711</u>
Lease liabilities-current	<u>\$ 15,570</u>		<u>\$ 12,238</u>
Lease liabilities-noncurrent	<u>\$ 112,602</u>		<u>\$ 85,473</u>
As at December 31, 2021			
Not later than 1 year	\$ 15,695	\$ 3,502	\$ 12,193
Later than 1 year and not later than 5 years	47,333	10,849	36,484
Later than 6 year	74,173	17,547	56,626
Total	<u>\$ 137,201</u>	<u>\$ 31,898</u>	<u>\$ 105,303</u>
Lease liabilities-current	<u>\$ 15,695</u>		<u>\$ 12,193</u>
Lease liabilities-noncurrent	<u>\$ 121,506</u>		<u>\$ 93,110</u>

The interest expense of the recognized lease liability in 2022 and 2021 was \$3,668 and \$3,511, respectively.

The amount of cash outflow for leases recognized in 2022 and 2021 was \$4,497 and \$17,034, respectively.

(XVI) RETIREMENT BENEFIT PLANS

1. Defined benefit plans

Those who have served the Company for more than 15 years and have reached the age of 55, or those who have served the Company for more than 25 years, or those who have worked for more than 10 years and have reached the age of 60 may apply for retirement. The pension payment is based on their years of service. And the average salary for the 6 months before the approved retirement is calculated. 2 bases will be given for every full year. After 15 years of working experience, 1.3 bases will be given for every full year. The maximum total is limited to 45 bases. Those who have completed half a year are calculated as half a year, and those who have completed half a year are calculated as 1 year. However, if the person is ordered to retire due to the loss of mind or body due to the performance of his duties, he may be ordered to retire based on the above-mentioned base number, plus 20%. For those who originally enjoyed retirement compensation, an additional 2.6 base compensation will be issued upon retirement (not included in the maximum 45 bases of the retirement pension). For those who choose to apply the Labor Pension Act, the Company will allocate monthly pensions to individual labor accounts, and the old age of the applicable Labor Standards Act will be retained, but when calculating the pension base, the age of the applicable labor pension act will not be calculated.

The Company and Summit Industrial Co., Ltd.'s retirement policy is applicable to full-time employees who are formally hired. Retirement benefits are provided at 15% and 2% of the salary paid each month by adopting the part of the definite payment retirement method. The World Champion Co., Ltd. has no employees who are eligible for the old pension system. Saigon Ve Wong Co., Ltd.'s employees' seniority that existed before January 1, 2009 is subject to the "Labor Law" of Vietnam, and the company should pay retirement subsidies to employees who leave the company. Thai Fermentation Industry Co., Ltd. adopted an employee benefit plan in 2011, which is a definite payment retirement method. This is a definite payment method for retirement. As a result of actuarial calculations, the company's pension-related information is disclosed as follows :

(1) Actuarial assumptions for defined benefit plans :

<u>The Company and Summit Industrial Co., Ltd.</u>	As of December 31,	
	2022	2021
Discount rate	1.2%	0.65%
Expected rate of salary increase	2.00%-4.00%	2.00%-3.00%

<u>Saigon Ve Wong Co., Ltd.</u>	As of December 31,	
	2022	2021
Discount rate	5.00%	1.50%
Expected rate of salary increase	6.00%	2.00%

<u>Thai Fermentation Industry Co., Ltd.</u>	As of December 31,	
	2022	2021
Discount rate	1.17%~1.36%	1.17%~1.36%
Expected rate of salary increase	5.00%	5.00%

(2) Determine the expenses recognized in the defined benefit plans :

	For the years ended December 31,	
	2022	2021
Current service cost	\$ 5,827	\$ 6,761
Net interest expense	2,052	1,609
Recognized in profit or loss	<u>\$ 7,879</u>	<u>\$ 8,370</u>

(3) Recognized in other comprehensive income :

	For the years ended December 31,	
	2022	2021
Remeasurement of net defined benefit liabilities	<u>\$ 11,286</u>	<u>\$ (32,532)</u>

(4) The adjustments to present value of defined benefit obligation and fair value of plan assets are as follows :

Item	As of December 31,	
	2022	2021
Present value of defined benefit obligation	\$ 685,909	\$ 699,490
Fair value of plan assets	(433,028)	(414,685)
Net defined benefit liabilities	<u>\$ 252,881</u>	<u>\$ 284,805</u>

(5) The changes in the present value of defined benefit obligation are as follows :

	For the years ended December 31,	
	2022	2021
Balance at January 1	\$ 699,490	\$ 711,356
Current service cost	5,827	6,761
Net interest expense	4,690	2,818
Benefits paid	(51,801)	(49,785)
Actuarial loss - experience adjustments	4,919	(2,802)
Actuarial loss - changes in demographic assumptions	(14)	900
Actuarial loss - changes in financial assumptions	22,798	30,242
Balance at December 31	<u>\$ 685,909</u>	<u>\$ 699,490</u>

(6) The changes in the fair value of plan assets are as follows : :

	For the years ended December 31,	
	2022	2021
Balance at January 1	\$ 414,685	\$ 410,359
Contribution by employer	25,114	28,859
Benefits paid	(41,798 )	(31,790 )
Return on plan assets	35,027	7,257
Balance at December 31	\$ 433,028	\$ 414,685

(7) Sensitivity analysis

The sensitivity analysis of the consolidated company's defined benefit obligation is based on the discount rate and salary adjustment rate of actuarial assumptions. The discount rate and salary adjustment rate are calculated by adding or subtracting 0.25% before other actuarial assumptions remain unchanged :

a. Sensitivity analysis of discount rate :

	Discount rate			
	As of December 31,			
	2022		2021	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation \$ assumptions	\$ 674,335	\$ 697,867	\$ 688,494	\$ 710,806
Calculate according to the original hypothesis	685,909	685,909	699,490	699,490
Determine the loss of benefit obligation (benefits)	(11,574 )	11,958	(10,995 )	11,316
Determine the percentage change in benefit obligations	(1.69% )	1.74%	(1.57% )	1.62%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2022		2021	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation \$ assumptions	\$ 697,764	\$ 674,478	\$ 710,523	688,711
Calculate according to the original hypothesis	685,909	685,909	699,490	699,490
Determine the loss of benefit obligation (benefits)	11,855	(11,431 )	11,033	(10,779 )
Determine the percentage change in benefit obligations	1.73%	(1.67% )	1.58%	(1.54% )

(8) Expected future benefit payments are as follow

	As of December 31,	
	2022	2021
Expected to pay benefits in the next 1 year	\$ 47,576	\$ 47,369
Expected to pay benefits in the next 2~5 years	228,358	249,403
Expected to pay benefits more than 6 years	448,328	438,791
Total	\$ 724,262	\$ 735,563

- (9) The consolidated company expected contributions to the plan for the next year and the average duration of the defined benefit obligation are as follows :

	As of December 31,	
	2022	2021
The expected contributions to the plan for the next year	\$ 25,443	\$ 25,096
The average duration of the defined benefit obligation	6-7years	6-7years

## 2. Defined contribution plans

The employees of the Company, The World Champion Co., Ltd. and Summit Industrial Co., Ltd., may choose to continue to apply the relevant pension regulations of the "Labor Standards Act", or apply the pension system of the regulations and retain the working years before the regulations are applied. According to the regulations, the employer's monthly labor pension contribution rate shall not be lower than 6% of the employee's monthly salary. In 2022 and 2021, the consolidated company's pension contributions in accordance with the Labor Pension Act were \$16,417 and \$15,551, respectively.

## (XVII) Long-term deferred income

The Company's subsidiary Summi Industrial Co., Ltd. received a government grant related to equipment grant amount to \$5,000 at the end of 2019. This grant accounts for long-term deferred income and is transferred gradually within the useful life of the relevant assets. As of December 31, 2022 and 2021, the balance of long-term deferred income was \$3,500 and \$4,000, respectively.

## (XVIII) Operating lease

The consolidated company leased investments properties in 2022 and 2021. Since almost all the risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to note VI (XI) Investments properties.

The analysis of the maturity of lease receivable on December 31, 2022 and 2021 is as follows :

	As of December 31,	
	2022	2021
Under 1 year	\$ 57,353	\$ 56,666
More than 1 year but not more than 5 years	167,110	194,894
More than 5 years	533	18,874
Total	\$ 224,996	\$ 270,434

## (XIX) INCOME TAX

### 1. Income tax expense consisted of the following :

#### Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current tax expense recognized in the current year	\$ 189,025	\$ 179,507
Income tax adjustments on prior years	(1,229)	(6,956)
Separate taxation of dividend income	-	49,809
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	43,855	(2,194)
Income tax expense recognized in profit or loss	\$ 231,651	\$ 220,166

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred income tax expense		
Related to remeasurement of defined benefit obligation	\$ -	\$ -
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	-
Share of the other comprehensive income (loss) for using the equity method	-	-
Exchange differences on translating the financial statements of foreign operations	-	-
Total income tax recognized in other comprehensive income	<u>\$ -</u>	<u>\$ -</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the years ended December 31,	
	2022	2021
Income before tax	\$ 1,121,025	\$ 917,196
Income tax expense at the statutory rate	\$ 296,203	\$ 258,469
Permanent difference	(60,306 )	(85,037 )
Temporary difference	(50,015 )	1,432
Income tax on unappropriated earnings	3,143	4,643
Income tax adjustments on prior years	(1,229 )	(6,956 )
Separate taxation of dividend income	-	49,809
The origination and reversal of temporary differences	43,855	(2,194 )
Income tax expense recognized in profit or loss	<u>\$ 231,651</u>	<u>\$ 220,166</u>

A reconciliation of current tax assets and liabilities and income tax expense recognized in profit or loss was as follows:

	2022	2021
Current tax expense recognized in the current year	\$ 189,025	\$ 179,507
Add : Current tax liabilities at beginning of year	68,579	126,669
Income tax adjustments on prior years	-	138
Separate taxation of dividend income	-	49,809
Effect of foreign exchange rate change	6,389	(3,989)
less : Paid	(178,922 )	(283,555 )
Current tax liabilities at end of year	<u>\$ 85,071</u>	<u>\$ 68,579</u>

	2022	2021
Current tax assets at beginning of year	\$ 2,815	\$ 12,427
Add : Provisional and withholding tax	320	2,807
Current income tax adjustment in previous years	1,229	7,094
Less : Received	(1,237)	(19,513)
Current tax assets at end of year	<u>\$ 3,127</u>	<u>\$ 2,815</u>

2. The movements of deferred tax assets and deferred tax liabilities were as follows :

	2022					
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 639	\$ 241	\$ -	\$ -	\$ -	\$ 880
Unrealized exchange loss (gain)	7,672	(15,705)	-	-	-	(8,033)
Allowance for impairment loss	701	351	-	-	-	1,052
Unrealized employee benefit liabilities	18,871	(9,664)	-	-	-	9,207
Impairment loss on nonfinancial assets	1,539	(25)	-	-	-	1,514
Others	(170,542)	(19,053)	-	-	-	(189,595)
Deferred tax expense		<u>\$ (43,855)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (141,120)</u>					<u>\$ (184,975)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 37,181</u>					<u>\$ 21,256</u>
Deferred tax liabilities	<u>\$ 178,301</u>					<u>\$ 206,231</u>

	2021					
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 622	\$ 17	\$ -	\$ -	\$ -	\$ 639
Unrealized exchange loss	6,611	1,061	-	-	-	7,672
Allowance for impairment loss	741	(40)	-	-	-	701
Unrealized employee benefit liabilities	20,832	(1,961)	-	-	-	18,871
Impairment loss on nonfinancial assets	894	645	-	-	-	1,539
Others	(173,014)	2,472	-	-	-	(170,542)
Deferred tax expense		<u>\$ 2,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (143,314)</u>					<u>\$ (141,120)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 41,109</u>					<u>\$ 37,181</u>
Deferred tax liabilities	<u>\$ 184,423</u>					<u>\$ 178,301</u>

3. Unrecognized deferred income tax assets and Deferred income tax liabilities

(1) Unrecognized deferred income tax assets

The consolidated company is not likely to have taxable income that can be realized or will return in the foreseeable future, and the unrecognized deferred income tax assets are as follows :

Deferred Income tax expense recognized in profit or loss	As of December 31,	
	2022	2021
Unrecognized deferred income tax assets :		
Loss deduction	\$ 579	\$ 320
Temporary difference	97,291	196,749
Total	<u>\$ 97,870</u>	<u>\$ 197,069</u>

(2) Unrecognized deferred income tax assets and liabilities related to investment subsidiaries and related companies

For foreign subsidiaries and foreign affiliates, the consolidated company did not recognize related deferred income tax assets/or deferred income tax liabilities due to the conversion differences in the financial statements of foreign operating institutions. Most of the consolidated company's investments are long-term in nature and will not be dealt with in the foreseeable future. The differences will not reverse in the foreseeable future, or the differences will not be realized in the foreseeable future.

Deferred Income tax expense recognized in other comprehensive income	As of December 31,	
	2022	2021
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	<u>\$ 10,267</u>	<u>\$ 33,921</u>

4. The information on unused taxable losses of individuals within the group is as follows:

Year of occurrence	Amount of loss	Unused balance		Last deductible year
		2022	2021	
2018	146	\$ 146	\$ 146	2028
2019	414	414	414	2029
2020	514	514	514	2030
2021	528	528	528	2031
2022	1,291	1,291	-	2032
		<u>\$ 2,893</u>	<u>\$ 1,602</u>	

5. Income tax assessments

The Company, The World Champion Co., Ltd., Summit Industrial Co., Ltd. and Tai Ve Corporation's income tax returns have been examined by the tax authority were as follows :

	Examined year
VE WONG CORPORATION	2021
Tai Ve Corporation	2020
The World Champion Co., Ltd.	2020
Summit Industrial Co., Ltd.	2020

(XX) Equity

1. Capital stock

The total authorized capital of the Company were \$2,400,000, separately at NTD10 par value with 240,000 thousand shares separately issued. The total authorized capital stated above was common share. As of December 31, 2022 and 2021, the shares issued were \$2,400,000 and 240,000 thousand shares based on the same denomination.



The balance of the Company's capital stock is as follows :

Items	Amount
Original subscription and cash capital increase	\$ 537,762
Capitalization of retained earnings	1,251,626
Capitalization of capital surplus	563,439
Capitalization of special capital reserve	47,173
Total	\$ 2,400,000

## 2. Capital surplus

Pursuant to the Company Act, the capital surplus may be used to offset a deficit; the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may not be used for any purpose, except may be appropriate capital in accordance with the resolution of the shareholders meeting.

The capital reserve generated by the premium of the issued share capital shall not exceed the limit prescribed by relevant laws and regulations. The capital reserve can also be distributed in cash.

The balance of the Company's capital surplus is as follows :

Items	As of December 31,	
	2022	2021
Treasury stock trading	\$ 43,493	\$ 40,970
Changes in the net equity of the associates are recognized in accordance with the equity method	-	167,367
Total	\$ 43,493	\$ 208,337

## 3. Legal capital reserve

Pursuant to the Company Act, the legal capital reserve shall be allocated until the total paid-in capital of the company. The legal capital reserve can be used to make up for losses; when the company has no losses, it can be approved by the shareholders meeting to issue new shares or cash with the legal capital reserve, but only if the reserve exceeds 25% of the paid-in capital.

According to the Ministry of Economic Affairs Letter No. 10802432410 dated January 9, 2020, when a company makes a statutory surplus reserve in accordance with Article 237 of the Company Law, it shall be handled by the company on the basis of "net profit after tax for the current period" Starting from the distribution of surplus in the financial statements for the year 2019, the statutory surplus reserve shall be set out as the basis for the statutory surplus reserve, but the company can extend it to 2020 after the current period's net profit after tax plus the amount of items other than the current period's net profit after tax included in the current year's undistributed surplus. The distribution of surpluses in the annual financial statements is applicable. There is no need to retrospectively adjust the statutory surplus reserve provided by the company in the past year. The Company began to apply the surplus distribution in the 2020 financial statements.

## 4. Special capital reserve

According to the regulations of the FSC, the listed company shall make a special surplus reserve for the net deduction of shareholders' equity in the account. When the deduction amount of shareholder's equity subsequently decreases, the special capital reserve may be transferred back to unappropriated earnings.

When first applying the IFRS approved by the FSC, the Company chose to adopt the exemption in IFRS 1 "First-time Adoption of International Financial Reporting Standards". The unrealized revaluation increment under the shareholder's equity was stated following the rule of using the fair value on the conversion date as the recognized cost to increase retained earnings. When relative assets were used, disposed or reclassified, the original rate to state the special reserves could be used to reverse the allocation of earnings. In addition, since the distribution of 2020 earnings, the Company has started to pursuant to the regulations of Gin-Guan-Zheng-Fa-Zi No.1090150022 issued on March 31, 2021..

##### 5. Distribution of earnings

According to the articles of association of the Company: If the Company makes a profit during the year, 2% shall be allocated for employee remuneration and 5% or less for directors and supervisors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

The Company's industrial environment is changeable, and the life cycle of the Company is in a stable growth stage. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the Company has a surplus after its annual accounts, it will not be paid in accordance with the law. In addition to income tax for profit-making businesses and making up of losses in previous years, 10% of the statutory surplus reserve and special surplus reserve required by the Securities Exchange Law should be allocated first. If there is a surplus, it may be based on the actual profit and capital situation of the current year. After the resolution of the board of directors is passed, it is reported to the shareholders meeting to resolve the distribution of shareholder dividends.

At 2022, the Company's estimated total amount of employee compensation and directors and supervisors' compensation is \$36,666. According to the Company's management, distribution plan, the amount of pre-tax net profit for the year before the deduction of employee compensation and directors and supervisors' compensation is estimated at a rate and recognized. It is the cost of the current year. However, if there is a discrepancy between the actual allotment amount and the estimated amount in the subsequent resolutions of the shareholders' meeting, it will be listed as the profit and loss of the year of the shareholders' meeting.

On June 22, 2022 and July 14, 2021, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2021 and 2020, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2021	2020
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1.1
employee remuneration -Cash	\$ 10,947	\$ 10,878
Directors and supervisors remuneration	16,420	16,318
Total	\$ 27,367	\$ 27,196

There is no difference between the above-mentioned surplus distribution and the resolution of the company's board of directors.

The board of directors of the Company resolved on March 29, 2023 to pass the 2022 surplus distribution proposal as follows :

	Earnings distribution 2022	Dividend per share (NTD) 2022
legal capital reserve	\$ 63,664	
Cash dividend	264,000	\$ 1.1
Total	\$ 327,664	

The appropriation of earnings for 2022 is subject to the resolution of the stockholders in the stockholders' meeting.

Regarding the approval of the board of directors and the resolution of the shareholders meeting for the distribution of earnings, please go to the "Market Observation Post System" of the Taiwan Stock Exchange for inquiries.

The above-mentioned information on employee compensation and directors and supervisors' compensation can be inquired from the "Market Observation Post System" of the Taiwan Stock Exchange.

##### 6. Dividend policy

The Company's industrial environment is changeable, and the life cycle of the Company is at a stage of steady growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the Company's dividend policy comprehensively considers capital reserves and retention factors such as surplus, financial structure, capital budget and operating conditions determine the most appropriate method of distribution.

## 7. Other equity

The relevant exchange difference arising from the conversion of the net assets of the foreign operating organization from its functional currency into New Taiwan dollars is directly recognized as other comprehensive income and accumulated in the exchange differences on translating the financial statements of foreign operations under other equity items. For financial assets measured at fair value through other comprehensive gains and losses, changes in fair value are directly recognized as other comprehensive gains and losses, and accumulated under other equity items that are unrealized appraisal gains and losses for financial assets measured at fair value through other comprehensive gains and losses. It shall not be reclassified to profit or loss in subsequent periods. The actuarial gains and losses on the determined benefit plan are recognized under other comprehensive gains and losses, and immediately recognized as retained earnings, and cannot be reclassified to profit or loss in subsequent periods.

## 8. Non-controlling interests

Changes in non-controlling interests are as follows :

	For the years ended December 31,	
	2022	2021
Balance, January 1,	\$ 981,747	\$ 1,156,961
Attributable to non-controlling interests :		
Net income	263,978	249,152
Remeasurement of defined benefit plans	-	(8,783 )
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(2 )	4
Exchange differences on translating the financial statements of foreign operations	73,188	(127,509 )
Decrease in non-controlling equity (Note)	(277,463 )	(288,078 )
Balance, December 31,	\$ 1,041,448	\$ 981,747

Note : It is the amount of dividends to non-controlling interests paid by the consolidated subsidiary.

## (XXI) Treasury stocks

Cause	Subsidiary name	Number of shares as of January 1	Net Increase (Decrease)	Number of shares as of December 31
<u>12.31.2022</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2021</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865

The Company's subsidiary, The World Champion Co., Ltd., holds shares of the company, with a cost of NTD\$16.86 per share, the market price of each share on December 31, 2022 and 2021 was NTD\$34.90 and NTD\$32.55, respectively.

## (XXII) EARNINGS PER SHARE

The earnings per share and the weighted average number of ordinary shares used to calculate the earnings per share are as follows :

Net Profit for the Year

	<u>2022</u>	<u>2021</u>
Profit attributable to ordinary shareholders	\$ 625,396	\$ 447,878
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
Earnings used to calculate diluted earnings per share	<u>\$ 625,396</u>	<u>\$ 447,878</u>

Thousand shares

	<u>2022</u>	<u>2021</u>
The weighted average number of ordinary shares used to calculate basic earnings per share	237,706	237,706
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
The weighted average number of ordinary shares used to calculate the diluted earnings per share	<u>237,706</u>	<u>237,706</u>

The company has the option to settle compensation paid to employees in cash or stock. During the computation of diluted earnings per share, the company assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding, if the effect is dilutive. The Company's authorized capital has been issued in full, and employee compensation has been paid in cash. Therefore, the basic earnings per share and the diluted earnings per share are the same.

(XXIII) Employee benefits, depreciation and amortization expense

	<u>Belonging to operating costs</u>	<u>Belonging to operating expenses</u>	<u>Total</u>
<u>2022</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 345,545	\$ 415,789	\$ 761,334
Labor/health insurance expense	31,088	26,152	57,240
Pension expense (Note a)	14,748	9,548	24,296
Director's remuneration	-	31,081	31,081
Total	<u>\$ 391,381</u>	<u>\$ 482,570</u>	<u>\$ 873,951</u>
Depreciation expense	<u>\$ 97,020</u>	<u>\$ 31,088</u>	<u>\$ 128,108</u>
Amortization expense	<u>\$ 6,076</u>	<u>\$ 7,977</u>	<u>\$ 14,053</u>
<u>2021</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 353,914	\$ 434,138	\$ 788,052
Labor/health insurance expense	29,437	25,691	55,128
Pension expense (Note a)	14,709	9,212	23,921
Director's remuneration	-	25,861	25,861
Total	<u>\$ 398,060</u>	<u>\$ 494,902</u>	<u>\$ 892,962</u>
Depreciation expense	<u>\$ 95,981</u>	<u>\$ 35,075</u>	<u>\$ 131,056</u>
Amortization expense	<u>\$ 6,565</u>	<u>\$ 1,594</u>	<u>\$ 8,159</u>

Note a : please refer to note VI (XVI).

Note b : please refer to note VI (XX).

- 1.As of December 31, 2022 and 2021, the number of employees of the consolidated company was 1,814 and 1,898, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2022 and 2021 were \$468 and \$460, respectively.
- 3.The average salary costs in 2022 and 2021 were \$423 and \$418, respectively, and the average increase in salary for employees in the two years was 1.20% and 2.45%, respectively.

(XXIV) Operating revenue

The analysis of the consolidated company's operating revenue is as follows:

	For the years ended December 31,	
	2022	2021
Sales revenue	\$ 6,326,583	\$ 5,768,284
Rental income	58,974	56,554
Total	\$ 6,385,557	\$ 5,824,838

The consolidated company's merchandise sales revenue is generated by the transfer of merchandise to customers at a certain point in time; rental income is generated by the gradual transfer of labor services to customers over time.

(XXV) Other income

	For the years ended December 31,	
	2022	2021
Dividend income		
From financial assets at fair value through other comprehensive income	\$ 14,793	\$ 11,092

(XXVI) Other gains and losses

	For the years ended December 31,	
	2022	2021
Net foreign currency exchange gains	\$ 145,023	\$ 37,920
Loss on disposal of property, plant and equipment	2,012	(124)
Others	10,415	14,702
Gain on disposal of non-current assets held for sale	168,362	-
Reversal of Property, plant and equipment impairment loss	14,190	-
Fair value changes of financial assets mandatorily classified as at FVTP	-	6,573
Net	\$ 340,002	\$ 59,071

The "Fair value changes of financial assets mandatorily classified as at FVTP" for the year 2021 above was \$6,573, which was the realized appraisal benefit of the disposal fund.

Gain on disposal of non-current assets held for sale

1. On June 8, 2022, the Company made a resolution of the executive board of directors: agreeing to sale Koh Kong Sugar Industry Co., Ltd., invested by the Company, and Koh Kong Plantation Co., Ltd., invested by Best Founder Corporation. The Company reclassifies the amount of relevant assets of \$75,064 (Including the book value of the Company's \$67,876 and Samoa Best Founder Corporation's \$7,188) to non-current assets held for sale; in addition, the accumulated income related to non-current assets classified as non-current assets held for sale and recognized in other comprehensive profit and loss (Exchange Differences on Translating the Financial Statements of Foreign Operations) \$2,094, also reclassified to non-current assets held for sale and expressed separately.
2. The above-mentioned investment company has suspended business activities since October 2018. The management of the Company has assessed that the possibility of its resumption of business is extremely slim, and its financial situation is difficult to improve. As of June 30, 2022, accumulated losses have been provided A total of \$74,845 (Including the Company's \$67,876 and Samoa Best Founder Corporation's \$6,969), with a net book value of \$0.
3. On July 4, 2022, the consolidated Company signed an agreement with Thailand's Khon Kaen Sugar Industry Public Company Limited to transfer all the shares held of associates Cambodia Koh Kong Sugar Industry Co., Ltd., and Cambodia Koh Kong Plantation Co., Ltd. The share transfer agreement, the transfer price is US\$1 per share, the share transfer settlement date

(Settlement Date) is July 12 of the same year, and on July 18 of the same year, The Company received a notice from Thailand Siam Commercial Bank about releasing the Company's endorsement guarantee for associates Cambodia Koh Kong Sugar Industry Co., Ltd., and Cambodia Koh Kong Plantation Co., Ltd. In this equity sale transaction, the company's sale price is \$1(USD\$40), and delist the book value contains \$167,367 for capital reserve and \$2,094 for related equity in non-current assets held for sale. In addition, recognized gain on disposal of non-current assets held for sale was \$168,362 (Including the Company's \$126,770 and Samoa Best Founder Corporation's \$41,592).

4. The above listed equity sale transaction was submitted to the board of directors for approval on August 10, 2022.

(XXVII) Finance costs

	For the years ended December 31,	
	2022	2021
Interest on bank loans	\$ 13,302	\$ 10,705
Interest on leases liabilities	3,668	3,511
Interest on deposit	91	118
Total	\$ 17,061	\$ 14,334

(XXVI) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2022	2021
<u>Financial assets</u>		
Measured at amortized cost		
Cash and cash equivalents	\$ 1,288,739	\$ 1,570,497
Notes and accounts receivable	493,355	463,708
Other financial assets	476,536	599,964
Financial assets measured at amortized cost	360,680	400,236
Refundable deposit	33,204	34,870
Subtotal	2,652,514	3,069,275
Measured at fair value		
Financial assets at fair value through other comprehensive income	256,334	315,282
Total	\$ 2,908,848	\$ 3,384,557
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term loans	\$ 953,000	\$ 853,000
Notes and accounts payable	517,945	537,520
Other payables	306,248	304,695
Lease liabilities	97,711	105,303
Total	\$ 1,874,904	\$ 1,800,518

2. Financial risk management objectives

The consolidated company's financial risk management objective is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the consolidated company is committed to identifying, evaluating and avoiding market uncertainties in order to reduce the potential adverse effects of market changes on the consolidated company's financial performance.

The consolidated company does not trade financial instruments for speculative purposes. The consolidated company has established appropriate policies, procedures and internal controls for the above financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution period of financial management activities, the consolidated company must actually follow the relevant regulations of financial risk management.

### 3. Market risk

The main market risks that the consolidated company's operating activities impose on the consolidated company are foreign currency exchange rate changes and interest rate changes. In addition, the consolidated company uses its own funds and bank borrowings to flexibly adjust to meet operational needs. Because most of the consolidated company's floating interest rate net assets mature within one year, and the current market interest rates are already low, it is expected that there will be no significant interest rate changes risk, so does not use derivative financial instruments to manage interest rate risk.

#### (1) Foreign currency risk

Some of the consolidated company's operating activities and net investments in foreign operating institutions mainly trade in foreign currencies, so foreign currency exchange rate risks arise. In order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the consolidated company uses short-term loans to avoid exchange rate risks. The use of such financial instruments can help the consolidated company reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

The net investment of foreign operating institutions is a strategic investment, so the consolidated company does not hedge against it.

Sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items at the end of the financial reporting period. When NTD strengthens / weakened against the USD by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by \$13,655 and \$19,053, respectively.

#### (2) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments and changes in cash flow due to changes in market interest rates. The consolidated company's interest rate risk includes the above two.

The sensitivity analysis of interest rate risk is determined by the risk of non-derivative financial instrument interest rate risk at the end of the financial reporting period. If Interest rate increases / decreases by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by \$8,280 and \$7,189, respectively.

#### (3) Other price risks

The listed and unlisted equity securities held by the consolidated company, the prices of these equity securities and fund investments will be affected by the uncertainty of the future value of the investment targets.

All of the consolidated company's major equity instrument investments must be approved by the consolidated company's board of directors.

Listed equity securities are measured at fair value through other comprehensive gains or losses; and unlisted equity securities are measured at fair value through profit or loss and other comprehensive income, respectively.

The price risk of the consolidated company's equity instruments mainly comes from investments classified as fair value through profit or loss and fair value through other comprehensive income.

The sensitivity analysis of equity instruments and fund price risks is based on the change in fair value at the end of the financial reporting period. If the price of equity instruments rise/fall 1%, the profit for the years ended December 31, 2022 and 2021 increases / decreases by \$2,563 and \$3,153, respectively.

### 4. Credit risk management

Credit risk refers to the risk of the consolidated company's financial losses caused by the counterparty's default. The consolidated company's policy is to try to trade with reputable objects to reduce the risk of financial loss. In addition to pre-transaction credit investigations, the consolidated company also continuously monitors credit risk insurance and counterparty credit status during the transaction process, and continues to diversify customer sources and expand overseas markets to reduce customer concentration.

The consolidated company had no credit risk concentrated on a single customer in 2022 and 2021, so the credit risk is indeed limited.

### 5. Liquidity risk

The consolidated company's goal of managing liquidity risk is to maintain cash and cash equivalents, highly liquid securities, and sufficient bank financing lines ensure that the

consolidated company has sufficient financial flexibility.

In addition to lease liabilities based on discounted, the table below summarizes the maturity profile of the consolidated company's financial liabilities based on undiscounted contractual payments with carrying amounts that approximated contractual cash flows:

As at December 31, 2022					
	Within 6 months	7~12 months	1~2 years	2~5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 713,000	\$ 240,000	\$ -	\$ -	\$ 953,000
Notes and accounts payable	517,945	-	-	-	517,945
Other payables	269,582	36,666	-	-	306,248
Lease liabilities	5,853	6,385	28,064	57,409	97,711
<b>Total</b>	<b>\$ 1,506,380</b>	<b>\$ 283,051</b>	<b>\$ 28,064</b>	<b>\$ 57,409</b>	<b>\$ 1,874,904</b>

As at December 31, 2021					
	Within 6 months	7~12 months	1~2 years	2~5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 593,000	\$ 260,000	\$ -	\$ -	\$ 853,000
Notes and accounts payable	537,520	-	-	-	537,520
Other payables	277,328	27,367	-	-	304,695
Lease liabilities	5,813	6,380	36,484	56,626	105,303
<b>Total</b>	<b>\$ 1,413,661</b>	<b>\$ 293,747</b>	<b>\$ 36,484</b>	<b>\$ 56,626</b>	<b>\$ 1,800,518</b>

#### 6. Foreign currency assets and liabilities with significant exchange rate fluctuations

The consolidated company's business involves a variety of non-functional currencies, so it is affected by exchange rate fluctuations, and there are large exchange rate fluctuations. Information about foreign currency assets and liabilities is as follows :

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Monetary items :</u>				
<u>As at December 31, 2022</u>				
Financial Assets				
Cash and cash equivalents	USD	5,534	30.665	\$ 169,714
Cash and cash equivalents	BATH	733,833	0.8734	640,929
Cash and cash equivalents	VND	111,924,155	0.0013097	146,587
Notes and accounts receivable	USD	700	30.665	21,476
Notes and accounts receivable	BATH	47,357	0.8734	41,362
Notes and accounts receivable	EUR	21	32.76	699
Other financial assets	USD	15,178	30.665	465,435
Financial Liabilities				
Notes and accounts payable	BATH	138,180	0.8734	120,687
<u>As at December 31, 2021</u>				
Financial Assets				
Cash and cash equivalents	USD	3,507	27.63	\$ 96,899
Cash and cash equivalents	BATH	1,310,221	0.8141	1,066,651
Cash and cash equivalents	VND	181,634,428	0.00122041	221,668

(next)



(continued)

Notes and accounts receivable	USD	693	27.63	19,138
Notes and accounts receivable	BATH	35,735	0.8141	29,092
Notes and accounts receivable	EUR	21	31.38	668
Other financial assets	USD	21,004	27.63	580,354
Financial Liabilities				
Notes and accounts payable	BATH	134,072	0.8141	109,148

Due to the various types of individual functional currencies of the consolidated company, it is impossible to disclose information on the exchange gains and losses of monetary financial assets and financial liabilities according to the foreign currencies that have a significant impact. The foreign currency exchange gains and losses of the consolidated company in 2022 and 2021 were losses of \$145,023 and gains of \$37,920, respectively.

	<u>currency</u>	<u>Foreign Currency (thousand)</u>	<u>Exchange Rate</u>	<u>NTD (thousand)</u>
<u>Non-Monetary items :</u>				
<u>As at December 31, 2022</u>				
Investments accounted for using equity method	THB	22,030	0.8734	\$ 19,241
<u>As at December 31, 2021</u>				
Investments accounted for using equity method	USD	2,594	27.63	\$ 71,682
Investments accounted for using equity method	THB	19,834	0.8141	16,147

#### 7. Fair value of financial instruments

##### (1) Fair valuation techniques for instruments measured at fair value

###### A. Measure the fair value of financial instruments based on amortized cost

The consolidated company's key management believes that the consolidated company's financial assets and financial liabilities measured at amortized costs are close to their fair values in the accompanying parent company only financial statements.

###### B. Fair valuation techniques for instruments measured at fair value

The fair value of financial assets and financial liabilities is determined by the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions that are traded in an active market is determined with reference to market quotes.
- The fair value of stocks that are not publicly quoted is determined according to market methods analysis and multiple methods (a kind of market methods), and based on recognizing pricing models.

##### (2) The fair value recognized in the parent company only balance sheets.

The following table of the consolidated company provides analysis information of financial instruments measured by fair value after initial recognition, and reveals the analysis information by dividing the fair value into the following three levels according to the degree of observability :

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. price) or indirectly (e.g. derived from price) from the active markets.

Level 3 : Level 3 inputs are inputs that measure fair value to the extent that relevant observable inputs are not available in the market.

(3) Financial assets measured at fair value on a repeatability basis

The consolidated company's financial assets measured at fair value on a repeatability basis, and their fair value levels are as follows :

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	204,262	-	-	204,262
Unlisted shares	-	-	52,072	52,072

As at December 31, 2021

Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	252,418	-	-	252,418
Unlisted shares	-	-	62,864	62,864

(4) Reconciliation of Level 3 fair value measurements of financial instruments

The consolidated company's financial assets measured at the 3 level of fair value are mainly financial assets at fair value through other comprehensive income. The reconciliation from January 1 to December 31, 2022 and 2021 is as follows :

	2022	2021
Balance at January 1	\$ 62,864	\$ 59,078
Recognized in other comprehensive income	(10,792)	3,786
Balance at December 31	\$ 52,072	\$ 62,864

(5) In 2022 and 2021, the consolidated company does not have a transfer fair value measurement of financial instruments between level 1 and level 2.

(XXIX) Capital management

The consolidated company's capital management goal is to be able to maintain the best capital structure before continuing to operate and grow, so as to provide shareholders with sufficient remuneration. The consolidated company's capital structure management strategy is based on factors such as the scale of the consolidated company's business, the future growth of the industry, product development blueprints and changes in the external environment to plan the required production capacity and what is needed to achieve this capacity plant equipment and corresponding capital expenditure; According to the characteristics of the industry, calculate the required working capital and cash, and estimate the possible product profit, operating profit rate and cash flow, consider the industry's business cycle fluctuations and product life cycle and other risk factors to determine the most appropriate capital for the consolidated company structure.

As the years ended December 31, 2022 and 2021, the consolidated company's rate of liabilities is as follows :

	As at December 31,	
	2022	2021
Total liabilities	\$ 3,425,387	\$ 3,331,319
Total assets	\$ 10,000,966	\$ 9,582,739
Rate of liabilities	34%	35%

The ratio on December 31, 2022 and December 31, 2021, there has been no significant change.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	<u>Short-term loans</u>
Balance at January 1, 2021	\$ 713,000
Financing Cash Flow :	
Increase Short-term loans	2,553,000
Repayment of short-term loans	<u>(2,413,000 )</u>
Balance at December 31, 2021	853,000
Financing Cash Flow :	
Increase short-term loans	3,163,000
Repayment of short-term loans	<u>(3,063,000 )</u>
Balance at December 31 , 2022	<u>\$ 953,000</u>

VII. Related Party Transactions

(I) Name of related parties and relationship with the related parties

<u>Name of related party</u>	<u>Relationship with the consolidated company</u>
Best Founder Corporation	Subsidiaries of the Company for using the equity method
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method
Koh Kong Sugar Industry Co., Ltd.	Associates of the Company for using the equity method, in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022
Koh Kong Plantation Co., Ltd.	Associates of Best Founder Corporation for using the equity method , in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022
K.S.L. IT Center Co., Ltd.	Consolidated Subsidiary-A 50%-owned subsidiary of Thai Fermentation Industry Co., Ltd.
TFI Green Biotech Company Limited	Consolidated Subsidiary-A 50%-owned subsidiary of Thai Fermentation Industry Co., Ltd.

(II) Significant transactions with related parties

The transaction amount and balance between the Company and its subsidiaries have been eliminated when preparing the consolidated financial statements and have not been disclosed in this note. The details of the transactions between the Company and its subsidiaries and other related parties are disclosed as follows :

1. Sales

(1) The transaction amount is less than \$100,000 :

<u>Name of related party</u>	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
TFI Green Biotech Company Limited	\$ 3	\$ 2,541
K.S.L. IT Center Co., Ltd.	1	-
Total	<u>\$ 4</u>	<u>\$ 2,541</u>

Purchase price : In principle, the market price is determined by both parties.

Payment terms : No major difference from general transactions..

(2) The transaction amount is more than \$100,000 : none.

2. Purchases : none

3.As the years ended December 31, 2022 and 2021, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2022	2021
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 139,293	\$ 139,293
	Less: allowance for impairment loss	(139,293)	(139,293)
	Net	\$ -	\$ -

4.As the years ended December 31, 2022 and 2021, the Company's endorsements and guarantees providing for related party is as follows :

Name of related party	As at December 31,	
	2022	2021
Koh Kong Plantation Co., Ltd.	\$ -	\$ 132,624
Koh Kong Sugar Industry Co., Ltd.	-	226,566
Total	\$ -	\$ 359,190

5. Significant financial assets and liabilities with related parties

Name of related party	Items	For the years ended December 31,	
		2022	2021
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 170,803	\$ 170,803
PT Ve Wong Budi Indonesia	Less: allowance for impairment loss	(170,803)	(170,803)
	Net	\$ -	\$ -

6. Others

Name of related party	Items	For the years ended December 31,	
		2022	2021
K.S.L.IT Center Co., Ltd.	Other loss	\$ 1,285	\$ 1,760
TFI Green Biotech Company Limited	Rental income	\$ 190	\$ -
TFI Green Biotech Company Limited	Other income	\$ 2,891	\$ -

(Price as agreed in the contract)

7. Compensation of key management personnel

Remuneration to key management personnel of the consolidated company includes the following:

	For the years ended December 31,	
	2022	2021
Short-term employee benefits(note)	\$ 34,140	\$ 28,907

Note : Short-term employee benefits include salary, bonus and employee compensation, etc. The remuneration of directors and key management personnel is determined by the remuneration committee.

VIII. Pledged Assets

The following assets have been provided as collateral for borrowings and performance guarantees :

Pledged assets	Detail	As at December 31,	
		2022	2021
Property, plant and equipment	Land and building	\$ 1,764,992	\$ 1,759,494
Investments properties	Land and building	1,220,173	1,220,370
Financial assets measured at amortized cost	Government bonds, etc.	8,857	8,341
Total		\$ 2,994,022	\$ 2,988,205

#### IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2022 and 2021, the consolidated company contingent liabilities and unrecognized commitments is as follows :

- 1.The unused letters of credit amount to USD\$857,000 and USD\$157,000, respectively.
- 2.Endorsements and guarantees providing to others was \$0 and \$359,190, respectively.
- 3.The deposit guarantee note of the letter of credit and the purchase was \$\$213,000 ; The deposit guarantee notes received was \$90,789 and \$61,096, respectively.

X.Significant Disaster Loss: None

XI.Significant Subsequent Events: None

#### XII. Others

- (I)Ting Hsin Oil Co., Ltd. sued and requested the Company to pay \$2,144 for the goods. The case is being heard by the Taiwan Taipei District Court. The Company filed a counterclaim during the trial procedure and requested Ting Hsin Oil Co., Ltd. The Company caused damages of \$9,420 due to problematic lard. After the case was heard by the Taiwan Taipei District Court, this lawsuit ruled that the Company lost the lawsuit, and the counterclaim was rejected with an illegal requirement. The Company was dissatisfied and filed a second-instance appeal and a counter-accusation respectively. After the Taiwan High Court heard the case, it found that the counter-accusation had reason to rule to abolish the original ruling and remanded it to the original trial. The Taiwan Taipei District Court of the original trial is in the process of hearing with Appeal Gengyi Yi Zih No. 1. in 2019 As for the appeal of the request for payment, the Company was ruled to lose the lawsuit. The Company filed a third-instance appeal against the request for payment. The Supreme Court partially abandoned it with Taishang Zi No. 1172 in 2020 and sent it back to the High Court of Taiwan, which was then approved by both parties. The parties agreed to stop the litigation and wait for the decision of the Taipei District Court with Appeal Gengyi Yi Zih No. 141. in 2019. After mediation by the court in 2022, the two companies reached a settlement with Ting Hsin Oil Co., Ltd. to pay the Company 5,500. After deducting the payment, Ting Hsin Oil Co., Ltd. paid the Company 3,356 on December 9, 2022. (the Company's relatively recognized income, listed under other income), both parties abandoned the ownership of this lawsuit and counterclaim and withdrew the lawsuit.
- (II)The Company's Taoyuan business office in 2020 Mr. Xu, a salesperson involved in the embezzlement of about 1.26 million, and the Company filed a criminal complaint with the Taiwan Taoyuan District Prosecutors Office for business embezzlement. After being investigated by the prosecutor, he was prosecuted with 110 Tiaozhen Zi No. 200, and the Taoyuan District Court tried it with 111 trial case No. 866. As of the date of the inspection report, the case is still under trial. The Company has set aside a 100% allowance for losses, and have applied to the insurance company for employee integrity insurance, which has no significant impact on the Company's 2022 financial statements. The above litigation cases are still to be judged by the judiciary. The relevant results will depend on the judgment of the court. The above will only be disclosed in accordance with the principle of publicity.

#### XIII. Additional Disclosures

- (I) Information on Significant Transactions :
- 1.Financing provided to others for the year ended December 31, 2022: Please refer to Table I.
  - 2.Endorsements/Guarantees Providing for the year ended December 31, 2022 : Please refer to Table II.
  - 3.Marketable securities held (excluding the equity held by invested subsidiaries, associates enterprises and joint ventures) for the year ended December 31, 2022 : Please refer to Table III.
  - 4.Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
  - 5.Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
  - 6.Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
  - 7.Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of

- the paid-in capita for the year ended December 31, 2022 : Please refer to Table V.
- 8.Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2022 : Please refer to Table IV.
- 9.Trading in derivative instruments for the year ended December 31, 2022 : None.
10. Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries : Please refer to Table V.

(II) Information on Investees :

- 1.Information on investees (excluding investments in mainland chian) for the year ended December 31, 2022 : Please refer to Table VI.
- 2.Information about invested business :
- (1)Financing provided to others in 2022 : Please refer to Table I.
- (2)Endorsements/Guarantees Providing in 2022 : Please refer to Table II.
- (3)Marketable securities held (excluding the equity held by invested subsidiaries, associates enterprises and joint ventures) for the year ended December 31, 2022: Please see TABLE III attached.
- (4)The amount of the accumulated purchase or sale of the same securities is over NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
- (5)Purchase amount of real property that exceeds NTD300 million or 20% of thepaid-in capital for the year ended December 31, 2022: None.
- (6) Amount for the disposal of real property exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
- (7) Amount of the purchase from and the sale to related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
- (8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
- (9)Engaging in derivative transactions for the year ended December 31, 2022: None.

(III) Information about the investment in China: None.

(IV) Major Shareholders Information: Please refer to Table VII.

XIV.Operating Segments Information

(I) Operating segments revenue and operating results

The revenue and operating results of the continuing operations in the consolidated financial statement are analyzed according to the reportable segmentst as follows :

	Operating segments revenue		Operating segments profit and loss	
	For the years ended December 31,		For the years ended December 31,	
	2022	2021	2022	2021
Condiment business	\$ 5,186,865	\$ 4,501,465	\$ 757,587	\$ 730,291
Fast food business	1,491,649	1,526,011	84,888	129,153
Other	458,264	446,237	2,003	16,624
Total continuing business units	7,136,778	6,473,713	844,478	876,068
Less: income or profit and loss between operating segments	(751,221)	(648,875)	-	-
Revenue or profit and loss of operating segments and external customers	\$ 6,385,557	\$ 5,824,838	844,478	876,068
Other operating expenses			(11,322)	(10,463)
Income from operations (next)			833,156	865,605

(continued)		
Interest income	25,866	13,472
Other income	14,793	11,092
Other gains and losses	340,002	59,071
Finance costs	(17,061)	(14,334)
Share of profit or loss of subsidiaries and associates accounted for using the equity method	(886)	(8,902)
Impairment loss	(74,845)	(8,808)
Profit before income tax	<u>\$ 1,121,025</u>	<u>\$ 917,196</u>

Segments profits refer to the profits earned by each segments, excluding other income, other interests and losses, financial costs, the share of profits and losses of affiliated companies and joint ventures that use the equity method, and the return of derogation losses. This measurement amount is provided to the chief operating decision maker to allocate resources to the department and evaluate its performance.

(II) Operating segments assets

	As at December 31,	
	2022	2021
Operating segments assets :		
Condiment business	\$ -	\$ -
Fast food business	-	-
Other	-	-

Note: The consolidated company discloses the measured amount of the assets of the reportable segments in accordance with the regulations, but because the measured amount of the assets of the consolidated company is not provided by the operating decision maker, there is no need to disclose the measured amount of the assets.

(III) Product type and labor service type

	For the years ended December 31,	
	2022	2021
Food manufacturing sales revenue	\$ 6,074,562	\$ 5,521,067
Packaging materials and other manufacturing and processing income	162,062	153,810
Other	148,933	149,961
Total	<u>\$ 6,385,557</u>	<u>\$ 5,824,838</u>

(IV) By region

	For the years ended December 31,	
	2022	2021
Taiwan	\$ 2,599,385	\$ 2,535,985
Thailand	2,332,927	2,056,257
Vietnam	1,453,245	1,232,596
Total	<u>\$ 6,385,557</u>	<u>\$ 5,824,838</u>

(V) Important customer information

There was no situation in which revenue from a single customer accounted for more than 10% of the net operating income of the consolidated income statement in 2022 and 2021.

**TABLE I**

**VE WONG CORPORATION**

**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow (note1 and note2)	Aggregate Financing Limits(note1 and note2)	Remarks
													Item	Value			
0	VE WONG CORPORATION	Tai Ve Corporation	Other current assets-other	Y	\$ 300,000	\$ 300,000	\$ -	1.90%	short-term financing is necessary	-	Operating turnover	\$ -	-	-	\$ 366,533	\$ 1,466,134	Note4
0	VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	139,293	(USD\$4.28 MILLION) 139,293	139,293	-	Plant and operation needs	-	-	139,293	12,000 shares of PT Ve Wong Budi Indonesia	-	366,533	1,466,134	
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Co., Ltd.	other current assets	N	5,036	5,036	139	7%	Company that needs short-term financing	-	Operating capital	-	-	-	200,416	1,002,080	Note3
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivables-related parties	Y	80,000	80,000	-	1.90%	Company that needs short-term financing	-	Operating capital	-	-	-	143,455	573,821	Note3 Note4
	Total					\$ 524,329											

Note1 : According to the operating procedures of the company's capital loan to others, the company's capital loan to a single enterprise shall not exceed 5% of the company's total assets, and the company's capital loan to others shall not exceed 20% of the company's total assets. For subsidiaries of the company, where short-term financing is necessary due to operating turnover, the cumulative balance of financing must not exceed 40% of the company's net worth.

Note2: According to the operating procedures of domestic reinvestment companies for loan to others, the total amount of funds loaned to others shall not exceed 20% of the total assets of the company, and the financing amount for a single enterprise shall not exceed 5% of the total assets of the company. However, if the company's parent company, subsidiaries, and all subsidiaries of the parent company are necessary for short-term financing due to operating turnover, the cumulative balance of the financing amount shall not exceed 40% of the company's net worth.

According to the operating procedures of overseas reinvestment company T Thai Fermentation Industry Co., Ltd., the total amount of funds loaned to others shall not exceed 50% of the company's net worth, and the amount of financing for a single enterprise shall not exceed 10% of the company's net worth.

Note3 : The ending balance of Tai Ve Corporation's fund loan to others was the fund loan and quota approved by the board of directors

Note4 : Consolidated statement has been written off.



**TABLE II****VE WONG CORPORATION****ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note2) (Note3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Remarks
		Name	Relationship											
0	Ve Wong Corporation	Summit Industrial Co., Ltd.	The Corporation owns directly over 50% ownership of the investee company.	\$ 1,466,134	\$ 50,000	\$ 50,000	\$ 43,000	\$ -	1%	\$ 2,199,201	Y	-	-	Note6
0	Ve Wong Corporation	Koh Kong Plantation Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages(Note4) (Note5)	1,466,134	142,440	-	-	-	3%	2,199,201	-	-	-	
0	Ve Wong Corporation	Koh Kong Sugar Industry Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note5)	1,466,134	243,335	-	-	-	4%	2,199,201	-	-	-	
1	Tai Ve Corporation	Ve Wong Corporation	The company direct and indirect owns over 50% ownership of the investee company	2,869,104	1,650,400	1,650,400	300,000	1,922,399	30%	2,869,104	-	Y	-	Note6
2	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	573,821	141,900	141,900	-	191,786	3%	860,731	-	-	-	Note6
		Total				\$ 1,842,300								

Note1 : According to The company's endorsement and guarantee measures, the amount of endorsement, guarantee for a single company shall not exceed 20% of The company's total assets.

Note2 : According to The company's endorsement and guarantee measures, the amount of endorsement and guarantee shall not exceed 30% of The company's total assets.

Note3 : According to the regulations of the domestic reinvestment company's endorsement, guarantee, the amount of the endorsement, guarantee shall not exceed 30% of the company's total assets, the parent company that holds 100% of the direct and indirect voting shares of the reinvestment company shall not exceed the total assets of the reinvestment company.

Note4 : In order to comply with Cambodian laws and regulations, The company has adjusted the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII).

Note5 : This endorsement was released on July 18, 2022. Please refer to Note VI(XXVI) Gain on disposal of non-current assets held for sale.

Note6 : Consolidated statement has been written off.

**TABLE III-1****VE WONG CORPORATION****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
VE WONG CORPORATION	<u>Listed stocks</u>							
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	963	\$ 38,517	0.007%	\$ 38,517	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,570	-	2,570	
	Taishin Financial Holding Co., Ltd.	-	"	2,468	37,269	0.021%	37,269	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	2,060	-	2,060	
	Vedan International (Holdings) Co.,Ltd.	-	"	1,992	4,317	0.131%	4,317	
	Total				\$ 84,733		\$ 84,733	
	<u>Unlisted stocks</u>							
	Li Shih venture capital Co.,Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	677	\$ 7,660	5.68%	\$ 7,660	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	14,906	4.32%	14,906	
	Jhong Sin investment Co.,Ltd.	-	"	1,043	29,506	0.33%	29,506	
	Total				\$ 52,072		\$ 52,072	
	<u>Unlisted stocks</u>							
	Wei Da Dian Ltd.	-	Financial assets measured at fair values through profit or loss- non-current	2	\$ -	0.18%	\$ -	
	Jhong Hua trade development Co., Ltd.	-	"	31	-	0.05%	-	
	Total				\$ -		\$ -	
	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 82,890		\$ 82,890	

**TABLE III-2****VE WONG CORPORATION**

**Information about invested business:  
MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
The World Champion Co., Ltd.	<u>Listed stocks</u> Taishin Financial Holding Co., Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss-non-current	7,501	\$ 113,270	0.06%	\$ 113,270	Note
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,259	-	6,259	
	VE WONG CORPORATION	The company	"	2,294	80,056	0.96%	80,056	
	<u>Unlisted stocks</u> Jhong Hua trade development Co., Ltd.	-	Financial assets measured at fair values through profit or loss-non-current	11	\$ -	0.02%	\$ -	
Saigon Ve Wong Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 265,313		\$ 265,313	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -current assets		\$ 43,670		\$ 43,670	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets		\$ 51,653		\$ 51,653	
Champion Fermentation Co.,Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 44		\$ 44	
				<b>Total</b>	<b>\$ 199,576</b>		<b>\$ 199,576</b>	

Note : Consolidated statement has been written off.

**TABLE IV****VE WONG CORPORATION****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022****(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Remarks
					Amount	Actions Taken			
VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Associated Companies	Other non-current assets - other receivables (Include Interest receivable \$165,798 and Advance payment \$5,005) \$ 310,096	-	-	-	Note	\$ 310,096	

Note : Please refer to Note IV (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

**TABLE V****VE WONG CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No	Company Name	Related Party	Relationship	Transaction Details			
				Item	Amount	Transaction terms	Percentage of combined total revenue or total assets (Note1)
0	Ve Wong Corporation	Summit Industrial Co., Ltd.	Parent company to subsidiary	Purchases (Note3)	\$ 125,401	-	2%
0	Ve Wong Corporation	Thai Fermentation Industry Co., Ltd.	Parent company to subsidiary	Purchases (Note3)	208,153	-	3%
1	Tai Ve Corporation	Ve Wong Corporation	Subsidiary to parent company	Guarantee (Note3)	1,650,400	-	-
1	Tai Ve Corporation	The World Champion Co., Ltd.	Subsidiary to parent company	Guarantee (Note3)	141,900	-	-

Note1 : The calculation of the ratio of the transaction amount of the consolidated total revenue or total assets. If it is an asset-liability account, it is calculated as the ending balance of the consolidated total assets; if it is a profit and loss account, it is calculated as the cumulative amount in the period as a percentage of the consolidated total revenue.

Note2 : Important transactions are those with a purchase amount of NT\$100 million or more than 20% of the parent company's paid-in capital.

Note3 : Consolidated statement has been written off.

**TABLE VI-1**

**VE WONG CORPORATION**

**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2022	December 31, 2021	Thousand shares	%	Carrying Amount			
VE WONG CORPORATION	The World Champion Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and sales of MSG, cans and beverages	\$ 138,443	\$ 138,443	15,999	99.99%	\$ 574,692	\$ 8,791	\$ 5,957	Note1
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing MSG, instant noodles	89,843	89,843	9,505	95.05%	108,848	1,146	1,247	Note1
	Saigon Ve Wong Co., Ltd.	1707 Highway 1A An Phu Dong Ward District 12, Ho Chi Minh City, Vietnam	Manufacturing and sales of MSG	475,328	475,328	-	100.00%	785,757	112,712	112,712	Note1
	Thai Fermentation Industry Co., Ltd.	20 <sup>th</sup> FLKSL Tower, 503, Sriayudhya Rd., Bangkok, Thailand	General Investment Company	233,090	233,090	204	48.66%	958,869	502,449	249,145	Note1
	Ve Wong International Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	1,741	1,741	50	100.00%	7,579	357	357	Note1
	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	General Investment Company	987,678	987,678	82,323	79.93%	1,619,649	(1,072 )	(956 )	Note1
	Best Founder Corporation.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Bean processed food manufacturing	169,198	169,198	5,328	100.00%	807	34,646	34,646	Note1 Note2
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Production, processing and sales of cane sugar	26,000	26,000	2,600	65.00%	24,816	(219 )	(143 )	Note1
	Koh Kong Sugar Industry Co., Ltd.	No.205-207-209 Mao Tong Boulevard, Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Biotechnology Service Industry	-	226,231	-	-	-	(7,905 )	(947 )	Note3
	Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Manufacturing and sales of MSG	24,144	20,250	1,514	33.65%	3,225	(8,857 )	(3,013 )	Note4
PT Ve Wong Budi Indonesia	Wisma Budi, Lt. 7 Suite 701, J1. H.R. Rasuna Said, Kav C-6 Jakarta, Indonesia		180,811	180,811	64	49.00%	-	-	-	Note4	
<b>Total</b>								<b>\$ 4,084,242</b>		<b>\$ 399,005</b>	

Note1 : Consolidated statement has been written off.

Note2 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII) for the explanation.

Note3: Associated company Koh Kong Sugar Industry Co., Ltd. in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022. Please refer to Note VI (XXVI).

Note4 : Please refer to Note VI (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

**TABLE VI-2****VE WONG CORPORATION****INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2022	December 31, 2021	Thousand shares	%	Carrying Amount			
The World Champion Co., Ltd.	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	\$ 397,959	\$ 397,959	20,666	20.07%	\$ 406,533	\$ (1,072)	\$ (217)	Note 1
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing	4,950	4,950	495	4.95%	5,686	1,146	57	Note 1
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Bean processed food manufacturing	2,000	2,000	200	5.00%	1,909	(219)	(11)	Note 1
	Total			\$ 404,909	\$ 404,909			\$ 414,128	\$ (145)	\$ (171)	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management	\$ 486	\$ 486	0.5	50.00%	\$ 3,682	\$ (507)	\$ (253)	
	TFI Green Biotech Company Limited..	Thailand	Classification of organic fertilizers	4,576	4,576	50	50.00%	15,559	8,488	4,244	Note 1
	Champion Fermentation Co.,Ltd.	Thailand	Manufacturing and sales of MSG	236,289	236,289	199,995	99.99%	263,795	11,719	7,246	Note 4
	Total			\$ 241,351	\$ 241,351			\$ 283,036	\$ 19,700	\$ 11,237	
Best Founder Corporation	Koh Kong Plantation Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Land development and sugarcane planting	\$ -	\$ 82,580	-	-	\$ -	\$ (4,406)	\$ (917)	Note 2 Note 3

Note 1 : Consolidated statement has been written off.

Note 2 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method.

Please refer to Note VI (VIII) for the explanation.

Note 3: Associated company Koh Kong Sugar Industry Co., Ltd. in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022. Please refer to Note VI (XXVI).

Note 4 : For organizational reorganization in the third quarter of 2016, please refer to Note IV (III) for the explanation.

**TABLE VII****VE WONG CORPORATION****Major Shareholders Information**

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Major Shareholders	Shareholding	
	Number of Shares Held	Number of Shares Held
HAO SHINE TRADING CO., LTD.	23,609,447	9.83 %
Quanwei Investment Co., Ltd.	23,424,026	9.76 %
OVERSEAS BROS. CO., LTD.	22,784,966	9.49 %
You-Shan investment Co., Ltd.	15,345,458	6.39 %
VEDAN ENTERPRISE CORP.	14,537,628	6.05 %



## **5. Standalone Financial Statements with Independent Auditors' Report for the most recent year**

### **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors and Shareholders of VE WONG CORPORATION

#### **Opinion**

We have audited the accompanying parent company only financial statements of VE WONG CORPORATION (the "Company"), which comprise the parent company only balance sheets as of December 31, 2022 and 2021, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2022 are stated as follows :

##### Recognize of Sales revenue

The main operating income of the Company is sales revenue. We consider that whether the recognition time of sales revenue was present fairly, is an area of high concern in the audit.

Refer to Note IV (XVI) for accounting policies on revenue recognition. Refer to Note V (I) for critical accounting judgments and key sources of estimation uncertainty on revenue recognition.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system for operating income.

2. Understand and evaluate the rationality of the assumptions and methods for management to recognize sales revenue.
3. The selected transaction conditions are not FOB Taiwan's export transactions. Obtain the transaction conditions set by each customer for the export transaction, and select the period before and after the end of the reporting period to verify the export transaction vouchers to determine the appropriate deadline.
4. For domestic sales (delivery agent) transactions, send confirmation letter or obtain agent's transaction reconciliation data to determine whether the deadline is appropriate and the amount.
5. Select the period prior to and after the end of the reporting period, to check the various vouchers to ensure that the sales, sales returns, and sales discounts have been properly closed.
6. Reconcile the amount of income in the account with the amount issued by the invoice, and perform tests on major differences between the reconciled items.
7. Perform analytical procedures to find out if there are any abnormalities in the recognition of sales revenue.

Whether the ending balance of Investments accounted for using equity method is fair

We believe that Investments accounted for using the equity method as an important and main asset of the company. Therefore, it will adopt Investments accounted for using the equity method ending balance and Share of profit or loss of subsidiaries and associates accounted for using the equity method as a key audit matters.

Refer to Note IV(VII) for accounting policies on investments accounted for using the equity method. Refer to Note V(IV) for critical accounting judgments and key sources of estimation uncertainty of investments accounted for using the equity method.

We performed the following audit procedures :

1. Understand and test the design and implementation effectiveness of the main internal control system of the investment cycle.
2. Understand and evaluate the management methods and procedures for managing investment, as well as the assumptions and methods for recognizing related investment gains and losses and other comprehensive gains and losses.
3. Obtain or prepare a detailed list of investment changes, and check with the general ledger and subsidiary ledgers.
4. Verify whether the accounting treatment of changes in equity is appropriate.
5. Verify whether the subsidiary or Associates adopts the same accounting policies as the company for similar transactions and events under similar circumstances, and if there are differences, whether it has been adjusted.
6. When verify subsidiaries and using the equity method to recognize the share of profit and loss, understand the impact of major financial statements of major subsidiaries on the company's financial statements, and determine the impact of Associates on the fair expression of the company's financial reports in accordance with the Statements of Auditing Standards No. 51. If it is significant, it should be verify whether the financial report of the Associates has been processed in accordance with the " Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants " and the Statements of Auditing Standards.
7. Verify whether the unrealized gains and losses between Associates have been eliminated.
8. Verify whether the Associates' financial report date should be the same as that of the company. If there is a difference, whether to adjust the impact of major transactions or events that occurred between the Associates' financial report date and the company's financial report date; And check whether the difference between the end of the reporting period between the Associates and the company is less than three months.
9. Verify whether there are any signs that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.

## Evaluation Impairment of Investments accounted for using the equity method and Goodwill

The Company adopts the equity method of investment. When estimating the future recoverable amount, the estimation involves a number of assumptions, including determining the discount rate and adopting the prepared financial forecast for the next five years. It is prone to subjective judgment and highly advanced Uncertainty, resulting in a significant impact on the measurement of the recoverable amount, which in turn affects the estimation of the amount of goodwill impairment. Therefore, we believe that the Company assessment of the equity method of investment and goodwill impairment are the most important matters this year.

For the accounting policy on impairment, please refer to Note IV (XII) Impairment; to the major sources of uncertainty in the significant accounting judgments, estimates and assumptions in the assessment of impairment of goodwill, please refer to Note V (III) and V(IV).

We performed the following audit procedures:

1. Understand and test the design and implementation effectiveness of the main internal control system for impairment assessment.
2. Verify whether there are any indication that the equity method of investment may be impaired, impairment testing and accounting treatment are appropriate.
3. Verify whether there are indication that goodwill impairment may occur, impairment testing and whether the accounting treatment is appropriate.
4. Assess the reasonableness of assumptions, future cash flow forecasts and discount rates used in impairment models.

### **Other – Using the reports of other independent accountants**

Among the associates included in the financial statements of the Company, Hughes Biotech. Co., Ltd.(Hughes Biotech) which used the equity method to invest in 2022 and 2021, had its financial statements not audit by us, but was audited by other accountants. In addition, in 2021, Koh Kong Sugar Industry Co., Ltd. (KSI) invested in Cambodia and Koh Kong Plantation Co., Ltd. (KPT) invested by the Best Founder Coporation which used the equity method, its financial statements are in accordance with Thai Financial Reporting Standard for Non-publicly Accountable entities have not been audited by us but by other accountants. We have performed the necessary review procedures for the conversion of the financial statements of KSI and KPT into preparations in accordance with generally accepted accounting principles in the Republic of China. Therefore, our opinion on the financial statements of Hughes Biotech (in 2022 and 2021) and the financial statements of KSI and KPT (in 2021) that the amount and various financial disclosure information listed in the financial statements of the investee companies before the adjustment are based on the audit reports of other accountants. As of December 31, 2022 and 2021, the above-mentioned companies used the equity method to invest in 3,225 thousand NTD and 74,025 thousand NTD, respectively, accounting for 0.04% and 1.05% of the total assets. From January 1st to December 31st, 2022 and 2021, the comprehensive profit and loss (including the share of the subsidiaries, associates and joint ventures recognized by the equity method and impairment loss) recognized by these investee companies was (3,013) thousand NTD and (18,413) thousand NTD, accounting for 0.13% and 0.80% of net operating income, respectively.

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

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

In preparing the parent company only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuan Chao Lin and Huei Yu Chang.

PKF Taiwan  
Republic of China  
March 29, 2023

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The accompanying parent company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those applied in the Republic of China.

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

As the parent company only financial statements are the responsibility of the management, PKF Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive form the translation.

**VE WONG CORPORATION**

**PARENT COMPANY ONLY BALANCE SHEETS**

**DECEMBER 31, 2022 AND 2021**

**(In Thousands of New Taiwan Dollars)**

ASSETS	Note	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	IV VI(I)	\$ 427,521	6	\$ 223,406	3
Financial assets measured at amortized cost -current assets	VI(II)	-	-	82,890	1
Notes receivable, net	VI(III)	90,098	2	103,057	2
Accounts receivable, net	VI(III)	206,161	3	201,092	3
Accounts receivable-related parties	VI(III) · VII	1,511	-	848	-
Other receivables- related parties	VII	15,779	-	15,790	-
Current tax assets	VI(XVII)	2,807	-	2,807	-
Inventories	VI(IV)	444,879	6	379,992	5
Other financial assets	VI(VII)	476,536	6	599,964	9
Prepayments and other current assets	VI(XII) · VII	13,809	-	6,454	-
Total current assets		<u>1,679,101</u>	<u>23</u>	<u>1,616,300</u>	<u>23</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through profit or loss	IV VI(V)	-	-	-	-
Financial assets at fair value through other comprehensive income	VI(VI)	136,805	2	172,984	2
Investments accounted for using equity method	VI(VIII)	4,084,242	56	3,967,525	57
Property, plant and equipment	VI(IX) · VIII	848,316	12	763,125	11
Right-of-use assets	VI(X)	26,207	-	40,327	1
Investments properties	VI(XI) · VIII	360,732	5	355,607	5
Deferred income tax assets	VI(XVII)	12,785	-	25,477	-
Prepayments form equipment		145,484	2	52,254	1
Refundable deposit		28,997	-	31,183	-
Other noncurrent assets	VI(XII) · VII	8,000	-	8,381	-
Total noncurrent assets		<u>5,651,568</u>	<u>77</u>	<u>5,416,863</u>	<u>77</u>
<b>TOTAL</b>		<u>\$ 7,330,669</u>	<u>100</u>	<u>\$ 7,033,163</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	IV VI(XIII) · VII	\$ 850,000	12	\$ 820,000	12
Notes payable		9,851	-	31,616	-
Accounts payable		187,553	3	164,571	2
Accounts payable-related parties	VII	44,348	1	40,629	1
Other payables	VII	164,085	2	152,526	2
Current tax liabilities	VI(XVII)	703	-	-	-
Lease liabilities-current	VI(XIV)	12,437	-	12,420	-
Other current liabilities		6,561	-	5,973	-
Total current liabilities		<u>1,275,538</u>	<u>18</u>	<u>1,227,735</u>	<u>17</u>
<b>NONCURRENT LIABILITIES</b>					
Net defined benefit liability	IV VI(XV)	153,280	2	189,250	3
Deferred income tax liabilities-land value increment tax		139,094	2	139,094	2
Deferred income tax liabilities -income tax	VI(XVII)	205,477	3	177,613	3
Lease liabilities-noncurrent	VI(XIV)	12,405	-	26,552	-
Other		10,744	-	3,246	-
Total noncurrent liabilities		<u>521,000</u>	<u>7</u>	<u>535,755</u>	<u>8</u>
Total liabilities		<u>1,796,538</u>	<u>25</u>	<u>1,763,490</u>	<u>25</u>
<b>EQUITY</b>					
Capital stock	IV · VI(XVIII)				
Common shares		2,400,000	33	2,400,000	34
Capital surplus					
From treasury stock transactions		43,493	1	40,970	1
From share of changes in equities of associates		-	-	167,367	2
Retained earnings					
Appropriated as legal capital reserve		461,976	6	419,563	6
Appropriated as special capital reserve		1,005,964	14	1,005,964	14
Unappropriated earnings		1,569,154	21	1,238,921	18
Other equity		92,008	1	35,352	1
Treasury stock	VI(VIII) · VI(XIX)	(38,464)	(1)	(38,464)	(1)
Total equity		<u>5,534,131</u>	<u>75</u>	<u>5,269,673</u>	<u>75</u>
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>					
<b>TOTAL</b>	IX · XII	<u>\$ 7,330,669</u>	<u>100</u>	<u>\$ 7,033,163</u>	<u>100</u>

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)

**VE WONG CORPORATION**

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2022		2021	
		Amount	%	Amount	%
NET REVENUE	IV - VI(XXII) - VII	\$ 2,366,704	100	\$ 2,311,453	100
OPERATING COSTS	IV - VI(IV) - VII	1,763,132	74	1,642,784	71
GROSS PROFIT		603,572	26	668,669	29
<b>OPERATING EXPENSES</b>					
Marketing		404,890	17	414,555	18
General and administrative		121,506	6	109,350	5
Research and development		7,933	-	9,768	-
Expected credit loss on trade receivables	IV(III) - IV(XII)	1,698	-	179	-
Total operating expenses		536,027	23	533,852	23
INCOME FROM OPERATIONS		67,545	3	134,817	6
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Interest income	IV	9,853	-	1,463	-
Other income	VI(XXIII)	10,218	-	7,045	-
Other gains and losses	VI(XI) - VI(XXIV)	288,217	12	33,463	-
Finance costs	VI(XXV)	(10,317)	-	(7,882)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	399,005	17	359,883	16
Impairment loss	VI(VIII)	(67,876)	(3)	(8,808)	-
Total non-operating income		629,100	26	385,164	16
PROFIT BEFORE INCOME TAX		696,645	29	519,981	22
INCOME TAX EXPENSE	IV - VI(XVII)	(71,249)	(3)	(72,103)	(3)
NET PROFIT FOR THE YEAR		625,396	26	447,878	19
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		8,923	-	(18,412)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		(38,842)	(2)	36,176	1
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method		(20,441)	-	39,581	2
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		(50,360)	(2)	57,345	3
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		120,360	5	(129,494)	(6)
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		120,360	5	(129,494)	(6)
Other comprehensive income (loss) for the year, net of income tax		70,000	3	(72,149)	(3)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 695,396	29	\$ 375,729	16
<b>EARNINGS PER SHARE</b>					
	IV - IV(XX)				
Basic		\$ 2.63		\$ 1.88	
Diluted		\$ 2.63		\$ 1.88	

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)

VE WONG CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Item	Capital Surplus			Retained Earnings			Other Equity				Total Equity
	Ordinary Shares	From treasury stock transactions	From share of changes in equities of associates	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Directly Related to Non-current Assets Held for Sale	Treasury stock	
BALANCE, JANUARY 1, 2021	\$ 2,400,000	\$ 38,447	\$ 167,367	\$ 376,906	\$ 1,005,964	\$ 1,121,449	\$ (40,109)	\$ 123,861	\$ -	\$ (38,464)	\$ 5,155,421
Appropriation of the 2020 earnings											
Legal reserve	-	-	-	42,657	-	(42,657)	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)
Net profit for year ended December 31, 2021	-	-	-	-	-	447,878	-	-	-	-	447,878
Other comprehensive income (loss) for year ended December 31, 2021 net of income tax	-	-	-	-	-	(23,749)	(129,494)	81,094	-	-	(72,149)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	424,129	(129,494)	81,094	-	-	375,729
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523
BALANCE, DECEMBER 31, 2021	2,400,000	40,970	167,367	419,563	1,005,964	1,238,921	(169,603)	204,955	-	(38,464)	5,269,673
Appropriation of the 2021 earnings											
Legal reserve	-	-	-	42,413	-	(42,413)	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)
Net profit for year ended December 31, 2022	-	-	-	-	-	625,396	-	-	-	-	625,396
Other comprehensive loss for year ended December 31, 2022, net of income tax	-	-	-	-	-	11,250	120,360	(61,610)	-	-	70,000
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	636,646	120,360	(61,610)	-	-	695,396
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523
Directly Related to Non-current Assets Held for Sale	-	-	-	-	-	-	(2,094)	-	2,094	-	-
Disposal of Non-current Assets Held for Sale	-	-	(167,367)	-	-	-	-	-	(2,094)	-	(169,461)
BALANCE, DECEMBER 31, 2022	\$ 2,400,000	\$ 43,493	\$ -	\$ 461,976	\$ 1,005,964	\$ 1,569,154	\$ (51,337)	\$ 143,345	\$ -	\$ (38,464)	\$ 5,534,131

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)



## VE WONG CORPORATION

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 696,645	\$ 519,981
Adjustments for :		
Depreciation expense	75,076	74,892
Amortization expense	6,112	7,132
Expected credit loss on trade receivables	1,698	179
(Reversal of allowance) provision for inventory market price decline	323	(1,554)
Loss on inventories scrap	4,705	5,021
Loss on disposal of property, plant and equipment	62	279
Gain on disposal of non-current assets held for sale	(126,770)	-
Impairment loss	67,876	8,808
Reversal of Investments properties impairment loss	(14,190)	-
Share of profit of subsidiaries and associates accounted for using the equity method	(399,005)	(359,883)
Finance costs	10,317	7,882
Dividend income	(10,218)	(7,045)
Interest income	(9,853)	(1,463)
Gain on fair value change of financial assets at fair value through profit or loss	-	(6,573)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	12,959	(19,514)
Increase in trade receivables	(5,792)	(18,218)
Decrease (increase) in other receivables	11	(3,829)
Decrease (increase) in prepayments and other current assets	(2,655)	16,124
Increase in inventories	(69,915)	(19,964)
Increase in other noncurrent assets	(2,491)	(884)
Increase in notes payable and trade payable	4,936	21,457
Increase in other payables	11,394	3,495
Increase (decrease) in other current liabilities	588	(2,087)
Net defined benefit liabilities	(27,047)	(31,272)
Cash generated from operations	224,766	192,964
Dividends received from subsidiaries	278,056	396,879
Other dividends received	10,218	7,045
Interest received	5,153	610
Interest paid	(10,152)	(7,792)
Income tax received	1,229	19,289
Income tax paid	(31,219)	(121,995)
Net cash generated from operating activities	<u>478,051</u>	<u>487,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES :		
Decrease (increase) in financial assets measured at amortized cost	82,890	(54,840)
Proceeds from disposal financial assets at fair value through profit or loss	-	51,468
Increase in financial assets at fair value through other comprehensive income	(2,663)	-
Increase in other financial assets	123,428	(285,183)
Proceeds from disposal non-current assets held for sale	1	-
Increase in investments accounted for using equity method	(3,894)	-
Acquisition of property, plant and equipment	(120,337)	(28,560)
Increase in prepaid equipment purchase	(110,037)	(38,485)
Decrease (increase) in refundable deposit	2,186	(5,876)
Increase in other noncurrent assets	(4,878)	(9,604)
Net cash used in investing activities	<u>(33,304)</u>	<u>(371,080)</u>
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase in short-term borrowings	30,000	140,000
Payment of the principal portion of lease liabilities	(14,130)	(14,138)
Increase (decrease) in other noncurrent liabilities	7,498	(800)
Dividends paid	(264,000)	(264,000)
Net cash used in financing activities	<u>(240,632)</u>	<u>(138,938)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	204,115	(23,018)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	223,406	246,424
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 427,521</u>	<u>\$ 223,406</u>

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 29, 2023)

## VE WONG CORPORATION

### NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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#### I. GENERAL

VE WONG CORPORATION (the "Company"), was formerly known as "China Yeast Industry Co., Ltd.", was incorporated in April, 1959 in accordance with the Company Law and other relevant laws and regulations. It was renamed "VE WONG CORPORATION" in May 1979. The Company's shares have been listed and traded on the Taiwan Stock Exchange since 1963.

The main business of the company is the production and sales of monosodium glutamate, soy sauce, instant noodles, canned food and beverages, as well as residential and building development, leasing and sales, industrial plant development, leasing and sales, investment and construction of public construction, and import of foreign tobacco, alcohol and beverages.

#### II. THE AUTHORIZATION OF FINANCIAL STATEMENTS

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 29, 2023.

#### III. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

New standards, interpretations and amendments endorsed by FSC effective since 2022 are as follows :

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022
Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022
Annual Improvements to IFRS Standards 2018 - 2020 Cycle	January 1, 2022

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2023.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023

(III) The IFRSs issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Sale and Leaseback" (next)	January 1, 2024

(continued)	
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Noncurrent”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024

As of the date the accompanying parent company only financial statements were authorized for issue, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

#### **IV. Summary of Significant Accounting Policies**

The summary of the significant accounting policies adopted by the parent company only financial statements is described as follows:

##### (I) Statement of compliance

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

##### (II) Basis of Preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments which are measured at fair values and net defined benefit liabilities that are determined by deducting the fair value of plan assets from the present value of the defined benefit obligation.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in these parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatment between parent company only basis and consolidated basis were made to the investments accounted for by the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

##### (III) Classification of assets and liabilities as current and non-current

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within 12 months from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within 12 months from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

##### (IV) Foreign currency

Items include in the financial statements are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional and presentation currency.

In preparing the parent company only financial statements, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year in which they arise. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT\$ using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(V)Cash and cash equivalent

Cash and cash equivalent include cash reserves, and current deposit balance, and the Bank deposits of which the principal maturity is under 3 months, and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value.

(VI)Inventory

Inventories are recorded at cost and calculated using the weighted average method. When calculating product costs, variable manufacturing expenses are amortized based on actual output, and fixed manufacturing expenses are amortized based on the normal production capacity of production equipment. However, when the actual output is not much different from the normal output, it can also be amortized. According to the actual output; if the actual output is abnormally higher than the normal capacity, it will be allocated according to the actual output.

Inventories are measured at the lower of cost or net realizable value. Net realizable value refers to the estimated selling price, minus the estimated cost to be completed and the estimated cost required to complete the sale. When the comparative cost and the net realizable value are lower, the comparison is made item by item. If the net realizable value of the finished product is expected to be equal to or higher than the cost, the raw materials used for the production of the finished product will not be offset below the cost. When the price of the raw materials drops and the cost of the finished product exceeds the net realizable value, The raw material is reduced to the net realizable value. The amount of inventory reduced from cost to net realizable value is recognized as cost of goods sold, and the net realizable value of inventory is re-measured in each subsequent period. If the previous factors that caused the net realizable value of inventory to be lower than the cost have disappeared, there may be evidence When the net realizable value increases due to changes in economic conditions, the increase in the net realizable value of inventories is reversed within the scope of the original write-off amount and recognized as the decrease in the cost of goods sold for the current year.

(VII)Investments accounted for using equity method

Investments accounted for using the equity method include investments in subsidiaries and associates. Financial statements of subsidiaries and associates are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company. In any case, the difference between the end of the reporting period of the financial statements of subsidiaries and associates and the Company shall not exceed 3 months.

1.Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of the equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Profits and losses resulting from downstream transactions are eliminated in full in the financial statements. Profits and losses transactions from upstream and transactions between subsidiaries are recognized in the financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

## 2. Investment in associates

The Company uses the equity method to account for its investments in associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company. When the Company's share of losses of an associate equals or exceeds its interest in that associate, the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

Any excess of the cost of acquisition over, the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of the associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investor had directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the financial statements only to the extent of interest in the associate that are not related to the Company.

## (VIII) Property, plant and equipment

Property, plant and equipment in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such properties are depreciated and classified in the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized so as to write off the cost of the assets less their residual values over their useful lives, and it is computed using the straight-line method mainly over the following estimated useful lives: buildings - 15 to 55 years; machinery and equipment - 5 to 15 years; and Transportation Equipment 5 to 10 years; Miscellaneous equipment 3 to 8 years; Other equipment 3 to 12 years; 及 Idled Assets 8 to 20 years;. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

## (IX) Leases

If a contract transfers control over the use of an identified asset for a period of time in exchange for consideration, the contract is a lease or includes a lease.

### Lessor

The lessor classifies each lease as an operating lease or a finance lease. A lease that transfers almost all the risks and rewards attached to the ownership of the underlying asset is a financial lease; if a lease does not transfer almost all the risks and rewards attached to the ownership of the underlying asset, it is an operating lease.

If it is an operating lease, the lessor recognizes the lease payments as income on a straight-

line basis, but if other systematic basis is more representative of the form of reduced use efficiency of the underlying asset, this basis applies. If it is a financial lease, the lessor shall recognize the financial lease receivables and the unearned financial income of the financial lease on the lease start date, and adopt a systematic and reasonable basis to allocate the financial income to the lease period, so that each period of the lease period has a fixed rate of return.

#### Lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease. The right-of-use asset is measured at cost, and the lease liability is based on the present value of the lease payment not yet paid on that date.

The right-of-use asset shall be depreciated, and its depreciation period shall be the earlier of the period from the beginning of the lease to the end of the useful life of the right-of-use asset or the expiration of the lease term; However, if the lessee will acquire the ownership of the leased asset at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of the purchase option, the depreciation period is from the lease start date to the end of the useful life of the underlying asset.

Lease liabilities use the effective interest rate method to calculate interest expenses, so that the interest rate of each period calculated based on the lease liability balance is fixed. Lease payments are used to pay interest and reduce lease liabilities. The interest on lease liabilities is recognized in profit or loss.

#### (X)Investment properties

If the company's property is not for sale at the end of the reporting period, nor is it used for the production or provision of goods or services, or for management purposes, it is classified as investment properties.

An investment property is stated initially at its cost and measured subsequently using the cost model. Buildings on investment property are computed using the straight-line method mainly over the following estimated useful lives of 20 years. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

#### (XI)Intangible Assets

##### 1. Goodwill

The Company chose to apply the exemption provisions of IFRS 1 for business combinations that occurred before January 1, 2012 (the date of transition to IFRS). Therefore, for the amount of goodwill generated by business combinations before that date, it is presented based on the amount recognized by the generally accepted accounting principles before adopted the IFRS. At the time of initial recognition, it is recognized as an asset at the original cost, and it will not be amortized in the subsequent period. It is measured by cost minus accumulated impairment.

##### 2. Other intangible assets

Other separately acquired intangible assets with a limited useful life are presented at cost minus accumulated amortization and accumulated impairment. The amortization amount is calculated on the basis of the 3 year service life based on the straight-line method. The estimated service life and amortization method are reviewed at the end of the reporting period. If there is any change in the estimate, the impact will be postponed and adjusted.

#### (XII)Impairment of asset

At the end of each reporting period, the Corporation reviews the carrying amounts of its assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. Value in use is evaluated based on the present value of estimated future cash flows, discounted at the current market-determined rate, and certain risk assumptions which impact future cash flows.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

#### (XIII) Non-current Assets Held for Sale

Non-current assets are classified as held for sale when recovery of their carrying amount is expected to be principally through a sale transaction rather than continuing use. To qualify for this classification, an illiquid asset must be available for immediate sale in its current state, and the sale must be highly probable. A sale is likely to qualify when the appropriate level of management is committed to a plan to sell the asset and the sale is expected to be completed within one year of the classification date. Non-current assets held for sale are measured at the lower of book value and fair value minus disposal costs, and no depreciation is provided.

#### (XIV) Financial instruments

Financial assets and financial liabilities are recognized only when the company becomes a party to the contractual terms of financial instruments. At the time of initial recognition, it should be measured at fair value. If it is not a financial asset or financial liability that is measured at fair value through profit or loss, the transaction costs directly attributable to the acquisition or the issuance of the financial asset or financial liability should be added or subtracted. However, accounts receivable that do not contain a significant financial component should be measured as the transaction price when initially recognized.

Financial assets are only delisted when one of the following conditions is met: (1) Invalidation of contractual rights from cash flow of financial assets; (2) Almost all risks and rewards of transferring ownership of financial assets, or almost all risks and rewards of ownership of the financial assets are neither transferred nor retained, and control of the financial assets is not retained.

For financial products with an active market, the fair value is based on the publicly quoted prices in the active market; for financial products without an active market, the fair value is estimated by the evaluation method.

The recognition and delisting of conventional transaction financial assets are based on the transaction day accounting treatment.

##### 1. Financial assets

Financial assets are based on the business model of managing financial assets and the contractual cash flow characteristics of financial assets. Financial assets held by the Company are classified into measured at amortized cost, at fair value through profit or loss and at fair value through other comprehensive income.

##### Measured at amortized cost

If a financial asset meets the following two conditions at the same time, it will be measured at the amortized cost. :

- a. Financial assets are held under a certain business model. The purpose of this model is to hold financial assets to collect contractual cash flows.
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

For financial assets measured at amortized cost, their benefits or losses are recognized in profit and loss, but if they are part of a hedging relationship, they are treated as hedging accounting.

Interest income is calculated using the effective interest method.

##### At fair value through other comprehensive income

If a financial asset meets the following two conditions at the same time, it will be measured at fair

value through other comprehensive income:

- a. Financial assets are held under a certain business model whose purpose is achieved by collecting contractual cash flows and selling financial assets; and
- b. The contractual terms of the financial asset generate cash flows on a specific date, and these cash flows are all interest on the payment of the principal and the amount of principal in circulation.

Benefits or losses are recognized in other comprehensive profit and loss, except for derogation benefits or losses and foreign currency exchange gains and losses. When assets are delisted, the accumulated benefits or losses listed in other comprehensive profit and loss are reclassified from equity to profit and loss.

If the investment in a specific equity instrument that should be measured at fair value through profit and loss is not held for trading, nor is it a contingent consideration recognized in a business combination, an irrevocable choice can be made at the time of initial recognition and its subsequent fairness. Changes in value are reported in other comprehensive income. In this case, the profit or loss is recognized in other comprehensive profits and losses, but dividends that are not investment cost recovery are included in the profits and losses. When assets are delisted, the accumulated benefits or losses listed in the other comprehensive profit and loss shall not be reclassified to profit and loss.

#### Measured at fair value through profit and loss

Financial assets are all measured at fair value through profit and loss, except when measured at amortized cost or at fair value through other comprehensive profits and losses.

At the time of initial recognition, financial assets can be irrevocably designated as measured at fair value through profit and loss to eliminate or significantly reduce. If not designated, it will be measured by using different basis to measure assets or liabilities or recognizing its benefits and losses. Or the recognition is inconsistent.

The benefit or loss is recognized in the profit and loss, but if it is part of the hedging relationship, it shall be treated as hedging accounting.

## 2. Financial liabilities

Financial liabilities shall be classified as measured at amortized cost, except for derivatives that do not comply with hedging accounting, designated as measured at fair value through profit and loss, and contingent consideration in a business combination that shall be classified as measured at fair value through profit or loss. Measured, except for financial liabilities that are not in compliance with delisted transfers or continuous participation in transferring assets, financial guarantee contracts, and commitments to provide loans at lower than market interest rates.

## 3. Impairment

Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive gains and losses, contract assets and loan commitments under applicable impairment regulations, and financial guarantee contracts to measure impairment based on the expected credit loss model. If the credit risk of a financial instrument has increased significantly since its initial recognition, the allowable loss is measured in the amount of expected credit loss during the duration of each reporting day; If the credit risk of a financial instrument has not increased significantly since the initial recognition, the 12-month expected credit loss amount will be used to measure the allowable loss on the reporting date. However, the company's impact on transactions within the scope of IFRS 15 For accounts receivable or contract assets that do not contain significant financial components, the simplified method is adopted to measure the allowable loss based on the expected credit loss amount during the duration.

## (XV) Reserve for liabilities

The reserve for liabilities shall be recognized when the Company has a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.



(XVI) Revenue Recognition

Revenue is measured by the expected consideration in which the Company has the right to acquire from the product transfer or labor service.

The Company recognizes revenue from contracts with customers by applying the following steps:

- (1) Identify the contract with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognize revenue when (or as) the entity satisfies its performance obligations

The company provides goods in accordance with the contract, recognizes revenue when meeting performance obligations, and usually meets performance obligations when transferring goods. The revenue generated by the provision of labor services in accordance with the contract is recognized, according to the degree of completion of the contract (output method or input method).

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

Before the customer pays the consideration or before the payment can be received from the customer, the contract has been performed by transferring goods or services to the customer, and the performance amount is recognized as a contract asset. However, if there is an unconditional right to the consideration of the contract and it can be collected from the customer only after time has passed, the performance amount shall be recognized as a receivable.

The consideration received from customers prior to the Company having satisfied its performance obligations are accounted for as contract liabilities.

(XVII) Non-operating income

Dividends

Revenue is recognized when the Company's right to receive the dividends is established, which is generally when stockholders approve the dividend.

Interest income

Interest income is recorded using the effective interest method and recognized in profit or loss.

(XVIII) Employee benefits

Payments to the defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

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

(XIX) Income tax

The income tax consists of current income tax and deferred income tax. The current income tax and deferred income tax shall be recognized in profit or loss, other than the income tax related to combined entities, and items stated into other comprehensive income or stated into equity directly.

The current income tax includes the projected income tax payable or tax refund receivable based on the current taxable income (loss), and the adjustment of income tax payable or tax refund receivable in the previous years. The amount refers to the best estimates of the expected payables or receivables measured on the basis of the statutory tax rate or tax rate substantially enacted on the reporting date. Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

According to the Income Tax Law, an additional tax on unappropriated earnings is provided for as income tax in the year the shareholders approve to retain the earnings.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

(XX) Earnings per share

Basic earnings per share is computed by dividing net income by the weighted-average number of ordinary shares outstanding during the current reporting period. The diluted EPS is calculated upon the adjustment of the effect of all potential diluted common stocks based on the income vested in the common stockholders and the number of shares of the weighted average outstanding common stock.

(XXI) Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as an expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(XXII) Operating segments information

An operating segment is a component of an entity, that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity). Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

## **V.CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions based on historical experience and other factors that are considered to be relevant about the related information that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets or liabilities within the next fiscal year are discussed below.

(I) Revenue recognition

In principle, sales revenue is recognized when the profit-making process is completed. The withdrawal of related returns and discounts is based on historical experience and consideration of different contract conditions to estimate possible sales returns and discounts when the product is sold. The current period is recognized as deductions and refund liabilities of sales revenue (other payables and other current liabilities are accounted for), and the Company regularly reviews the reasonableness of the estimates.

(II) Asset impairment assessment (except goodwill)

In the process of asset impairment assessment, the Company needs to rely on subjective judgments, including identifying cash-generating units and determining the recoverable amount of cash-generating units based on asset usage patterns and industrial characteristics. Any estimates brought about by changes in economic conditions or company strategies Changes may cause significant impairment in the future.

(III) Goodwill impairment assessment

The assessment process of goodwill impairment relies on the subjective judgment of the Company, including identifying the cash-generating unit, allocating assets and liabilities to the relevant cash-generating unit, allocating goodwill to the relevant cash-generating unit, and determining the recoverable amount of the relevant cash-generating unit.

(IV) Investment impairment assessment using the equity method

When there are signs of impairment that an investment using the equity method may have been impaired and the carrying amount may not be recovered, the company immediately assesses the impairment of the investment. The management of the Company evaluates impairment based on the future cash flow forecast of the invested company, including the sales growth rate and capacity utilization rates estimated by the internal management of the invested company. The Company also considers the relevant market and industry profiles to determine the reasonableness of its relevant assumptions.

(V) Income tax

The uncertainty of income tax lies in the interpretation of complex tax regulations, the amount of taxable income generated in the future, the difference between the actual results and the assumptions made, or the changes in these assumptions in the future, which may lead to the recorded income. Income tax benefits and expenses will be adjusted in the future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires subjective judgment and estimate, including the future revenue growth and profitability, tax holidays, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2022 and 2021, the carrying amount of deferred income tax assets was \$12,785 and \$25,477, respectively.

(VI) Net defined benefit liability

When calculating and determining the present value of employee benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial assumptions at the end of the financial reporting period, including the discount rate and the expected rate of return of the planned assets. Any change in actuarial assumptions may significantly affect the amount of the Company's determined benefit obligations.

As of December 31, 2022 and 2021, the carrying amount of Net defined benefit liability was \$153,280 and \$ 189,250, respectively.

(VII) Estimated impairment of financial assets

The Company adopts IFRS 9 to recognize the allowable loss of accounts receivable (including notes receivable and accounts receivable) based on the expected credit loss during the duration. The expected credit loss during the duration is based on historical experience and individual considerations. The financial status of customers and their industries and forward-looking information will be estimated and adjusted. If the expected cash received in the future is different from the original estimate, the difference will affect the book value of the receivables and allowance for losses in the year when the estimate is changed.

The Company holds financial assets measured at fair value through profit and loss and financial assets measured at fair value through other comprehensive gains and losses. Among them, the fair value measurement of the stocks of unlisted companies without an active market involves multiple assumptions. Including the used evaluation methods, decisions of comparable companies, price-to-earnings ratios and liquidity discounts, etc., subject to subjective judgment and high uncertainty, and the results of their measurement have an impact on financial statements.

As of December 31 2022 and 2021, the book value of notes and accounts receivable was \$297,770 (after deducting allowance for impairment loss of \$2,082) and \$304,997 (after deducting allowance for impairment loss of \$2,022).

In 2022 and 2021, the Company recognized the financial asset evaluation benefits (loss) of stocks of unlisted companies with no active market was \$(10,792) and \$3,786, respectively.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	As at December 31,	
	2022	2021
Cash	\$ 1,432	\$ 626
Checking deposits	99,383	37,285
Demand deposits	136,418	96,652
Foreign currency deposits	67,628	88,843
Fixed deposit no more than 3 months	122,660	-
Total	<u>\$ 427,521</u>	<u>\$ 223,406</u>

1. The company did not pledge any cash and cash equivalents as collateral.

2. The market rate intervals of fixed deposit at the end of the reporting period were as follows:

	As at December 31,	
	2022	2021
Fixed deposit no more than 3 months	4.60%-4.83%	-

(II) Financial assets measured at amortized cost -current assets

	As at December 31,	
	2022	2021
Fixed deposit -more than 3 months	\$ -	\$ 82,890
Market rate	-	0.27%-0.33%

(III) Notes and accounts receivable, net

	As at December 31,	
	2022	2021
<u>Notes receivable</u>	\$ 90,098	\$ 103,057
<u>Notes receivable</u> - related parties	-	-
Total	<u>\$ 90,098</u>	<u>\$ 103,057</u>
<u>Accounts receivable</u>	\$ 208,243	\$ 203,114
<u>Accounts receivable</u> - related parties	1,511	848
Less: allowance for impairment loss	(2,082)	(2,022)
Net accounts receivable	<u>\$ 207,672</u>	<u>\$ 201,940</u>

The Company's average credit period for account receivables arising from the sale of goods is 90 days, and notes and accounts receivable are non-interest-bearing.

The Corporation applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to past default experiences of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current direction of economic conditions at the reporting date. As of December 31, 2022 and 2021, the analysis of the Company's expected credit losses on the notes and accounts receivable is as follows:

The ageing analysis of unimpaired receivables is as follows:

	As at December 31,	
	2022	2021
Undue	\$ 92,325	\$ 105,114
Overdue within 30 days	-	-
Overdue for 31~60 days	-	-
Overdue over 61 days	-	-
Total	<u>\$ 92,325</u>	<u>\$ 105,114</u>

The analysis of the Company's expected credit losses on the notes and accounts receivable is as follows:

	As at December 31, 2022		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 207,468	1.00%	\$ 2,075
Overdue within 90 days	56	10.00%	6
Overdue for 91~180 days	3	50.00%	1
Overdue over 181 days	-	100.00%	-
Total	<u>\$ 207,527</u>		<u>\$ 2,082</u>

	As at December 31, 2021		
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 201,872	1.00%	\$ 2,019
Overdue within 90 days	33	10.00%	3
Overdue for 91~180 days	-	50.00%	-
Overdue over 181 days	-	100.00%	-
Total	<u>\$ 201,905</u>		<u>\$ 2,022</u>

The statement of changes in the impairment loss allowance for the notes and accounts receivable of the Company is as follows:

	For the years ended December 31,	
	2022	2021
Beginning balance	\$ 2,022	\$ 1,843
Recognized impairment loss	60	179
Ending balance	<u>\$ 2,082</u>	<u>\$ 2,022</u>

Regardless of other credit enhancements, the notes receivable that best represent the Company's credit risk exposures as of December 31, 2022 and 2021 was \$90,098 and \$103,057, respectively; the most representative of the Company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2022 and 2021 were \$207,672 and \$201,940, respectively.

(IV) Inventory

	As at December 31,	
	2022	2021
Raw materials	\$ 149,962	\$ 83,720
Supplies	33,811	33,780
Work in progress	110,826	100,229
Finished goods	150,637	153,878
Goods in transit	1,520	9,939
Total	446,756	381,546
Less: Allowance to reduce inventory to market	(1,877)	(1,554)
Net	<u>\$ 444,879</u>	<u>\$ 379,992</u>

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2022	2021
Cost of goods sold	\$ 1,752,894	\$ 1,632,861
Rental cost	10,260	10,267
Loss on discarding of inventory	4,705	5,021
(Reversal of allowance) provision for inventory market price decline	323	(1,554)
Income from sale of scraps	(5,050)	(3,811)
Net	<u>\$ 1,763,132</u>	<u>\$ 1,642,784</u>

1. The reversal of net realizable value and the decrease of the cost of goods sold were recognized due to the disposal of certain inventories, which were previously provided with an allowance for the price decline.
2. As of the end of 2022 and 2021, the insurance coverage of inventory was \$325,855 and \$343,671, respectively.

(V) Financial assets at fair value through profit or loss-noncurrent

	As at December 31,	
	2022	2021
Unlisted stocks	\$ -	\$ -

(VI) Financial assets at fair value through other comprehensive income-noncurrent

	As at December 31,	
	2022	2021
Listed stocks	\$ 65,063	\$ 62,400
Unlisted stocks	49,026	49,026
Subtotal	114,089	111,426
Valuation adjustment	22,716	61,558
Total	<u>\$ 136,805</u>	<u>\$ 172,984</u>

(VII) Other financial assets

	As at December 31,	
	2022	2021
Bank- special account for repatriation of overseas funds (Note)	\$ 465,435	\$ 580,354
Bank-restricted	11,101	12,679
Stimulus voucher	-	6,931
Total	<u>\$ 476,536</u>	<u>\$ 599,964</u>

Note : It is a special foreign exchange deposit account of the overseas fund repatriation management and taxation regulations applicable to the Company's allocation of overseas dividend income, which is dedicated to investment planning expenditures.

(VIII) Investments accounted for using equity method

Name	Number of thousand shares	Book value	Percentage held
<u>As at December 31, 2022</u>			
<u>Investments in subsidiaries</u>			
<u>Unlisted companies :</u>			
The World Champion Co., Ltd.	15,999	\$ 574,692	99.99
Summit Industrial Co., Ltd.	9,505	108,848	95.05
Saigon Ve Wong Co., Ltd.	-	785,757	100.00
Thai Fermentation Industry Co., Ltd.	204	958,869	48.66
Ve Wong International Ltd.	50	7,579	100.00
Tai Ve Corporation	82,323	1,619,649	79.93
Best Founder Corporation	5,328	807	100.00
Green TFL Co., Ltd.	2,600	24,816	65.00
Subtotal		<u>4,081,017</u>	
(next)			

(continued)

Investments in associates

Unlisted companies :

Hughes Biotech. Co., Ltd.	1,514	12,033	33.65
PT Ve Wong Budi Indonesia	64	-	49.00
Subtotal		12,033	
Less: Accumlated impairment		(8,808 )	
Net		3,225	
Total		<u>\$ 4,084,242</u>	

As at December 31, 2021

Investments in subsidiaries

Unlisted companies :

The World Champion Co., Ltd.	15,999	\$ 598,462	99.99
Summit Industrial Co., Ltd.	9,505	105,355	95.05
Saigon Ve Wong Co., Ltd.	-	628,034	100.00
Thai Fermentation Industry Co., Ltd.	204	903,368	48.66
Ve Wong International Ltd.	50	6,499	100.00
Tai Ve Corporation	82,323	1,626,039	79.93
Best Founder Corporation	5,328	8,359	100.00
Green TFL Co., Ltd.	2,600	24,958	65.00
Subtotal		<u>3,901,074</u>	

Investments in associates

Unlisted companies :

Koh Kong Sugar Industry Co., Ltd.	-	64,108	11.98
Hughes Biotech. Co., Ltd.	1,125	11,151	34.62
PT Ve Wong Budi Indonesia	64	-	49.00
Subtotal		75,259	
Less: Accumlated impairment		(8,808 )	
Net		66,451	
Total		<u>\$ 3,967,525</u>	

1. Disclosure matters and related instructions of PT Ve Wong Budi Indonesia :

- (1) In the second half of 2006, the Company was no longer able to participate in and control or understand the operations of PT Ve Wong Budi Indonesia, and the Company has indeed lost control of PT Ve Wong Budi Indonesia.
- (2) The Company invested in PT Ve Wong Budi Indonesia may suffer losses or damages, and whether it is likely to incur contingent liabilities, after consulting with legal experts to issue an opinion that: the company's obligations are limited to the amount of capital contributed and not exceeding the shareholders' assets.
- (3) The book balance of investment in PT Ve Wong Budi Indonesia, capital loans and advances to PT Ve Wong Budi Indonesia has all been reduced to zero in 2006.
- (4) PT Ve Wong Budi Indonesia was approved by the local court to conduct statutory liquidation procedures, and the Indonesian shareholders handled the liquidation matters in August 2015.

2. In addition to the above items, the investment using the equity method and its share of profits and losses and other comprehensive profits and losses are listed above, in 2022 including The World Champion Co., Ltd. Summit Industrial Co., Ltd. Saigon Ve Wong Co., Ltd. Thai Fermentation Industry Co., Ltd. Ve Wong International Ltd., Tai Ve Corporation, Best Founder Corporation, Green TFL Co., Ltd., and Hughes Biotechnology Co., Ltd. Calculate and recognize based on the financial statements audited by independent Auditors' report. the investment using the equity method and its share of profits and losses and other comprehensive profits and losses are listed above, and in 2021 including The World Champion Co., Ltd. Summit Industrial Co., Ltd. Saigon Ve Wong Co., Ltd. Thai Fermentation Industry Co., Ltd. Ve Wong International Ltd., Tai Ve Corporation, Best Founder Corporation, Green TFL Co., Ltd., Koh Kong Sugar Industry Co., Ltd. and Hughes Biotechnology Co., Ltd. Calculate and recognize based on the financial statements audited by independent Auditors' report. For the share of profits and losses of subsidiaries, and associates accounted for using the equity method, please refer to Attached Table VI.

3. The above-mentioned subsidiary The World Champion Co., Ltd., which adopts the equity method, holds the Company's stocks, because the Company follows IAS 32 「Financial Instruments: Presentation」 and treats them as treasury stocks. On December 31, 2022 and 2021, the above transactions were reclassified and offset, and were classified as treasury stocks under the owner's equity, and the amount was both \$38,464, for the relevant details of treasury stocks, please refer to Note VI (XIX). In addition, in accordance with the relevant accounting treatment instructions of IAS 32 "Financial Instruments: Presentation", the Company shall pay \$2,523 in cash dividends to The World Champion Co., Ltd. in 2022 and 2021, and use the equity method to offset the cash dividends based on the shareholding ratio. The profit and loss share of The World Champion Co., Ltd., and the adjustment of the "capital surplus-treasury stock transaction" amounted to \$2,523.
4. In order to implement the professional division of labor, effectively enhance the operating efficiency of assets, and strengthen the overall competitiveness of the Company, the subsidiary Tai Ve Corporation in accordance with Article 185 of the Company Law and Article 27 of the Corporate Mergers and Acquisitions Law, will issue new shares as the acquisition, transfer The consideration of the assets, and set the base date for the transfer of land and buildings as January 6, 2004, the net book value of the transferred land and buildings was \$986,678 (include \$1,985,274 for land and \$68,596 for buildings reducing land value-added tax \$1,067,192), corresponding to the increase of the investment using the equity method.
5. In May 2022, the Company participated in the cash capital increase of Hughes Biotech. Co., Ltd. an affiliated company, with an additional investment cost of \$3,894 and increased holdings of 389,000 shares. In 2021, the Company recognized the associated company Hughes Biotech. Co., Ltd. as impairment loss \$8,808.
6. In order to comply with Cambodian laws and regulations, the Company adjusted the investment organization of Cambodia's investment in the equity method, and established a subsidiary company "Best Founder Corporation" in Samoa with 100% of the company's shares to replace the company's original reinvestment in Cambodia. "Koh Kong Plantation Co., Ltd." investment company.  
The above-mentioned associate Koh Kong Sugar Industry Co., Ltd. was listed as "non-current assets held for sale" in the second quarter of 2022, and sold all its shares in the third quarter of 2022, please refer to Note VI (XXIV).
7. In the third quarter of 2016, the Company's subsidiary Thai Fermentation Industry Co., Ltd. acquired 200,000 ordinary shares of Champion Fermentation Co., Ltd. at 1,300 Baht per share (due to restrictions by local laws in Thailand, of which 5 shares are the equity is registered under the name of a natural person, and the registered equity of Thai Fermentation Industry Co., Ltd. is 199,995 shares). After the reorganization, Champion Fermentation Co., Ltd. became the grandson company of the Company, and the Company still has control.
8. In 2022 and 2021, Thai Fermentation Industry Co., Ltd. resolved to distribute cash dividends of \$540,486 (630,000 thousand Baht equivalent) and \$487,554 (630,000 thousand Baht equivalent). The dividends that the Company can receive according to the proportion of shareholding are \$263,024 (306,585 thousand Baht equivalent) and \$273,087 (306,585 thousand Baht equivalent); In 2021, Saigon Ve Wong Co., Ltd. resolved to distribute cash dividends of \$106,106 (87,445,579 thousand VND equivalent), the dividends that the Company can receive according to the shareholding ratio are \$106,106 (87,445,579 thousand VND equivalent); In 2021, Summit Industrial Co., Ltd. resolved to distribute cash dividends of \$4,500, and the Company's dividends that can be allocated according to the shareholding ratio was 4,277; In 2022 and 2021, Tai Ve Corporation resolved to distribute cash dividends of \$6,797 and \$5,767, and the Company's dividends that can be allocated according to the shareholding ratio was \$5,433 and \$4,610; In 2022 and 2021, The World Champion Co., Ltd. resolved to distribute cash dividends of \$9,600 and \$8,800, respectively, the dividends that the Company can receive according to the shareholding ratio are \$9,599 and \$8,799, respectively. The above-mentioned surplus distributions are all regarded as investment deductions using the equity method.
9. In the 2022 and 2021, the Company has prepared a partnership Consolidated financial statements with The World Champion Co., Ltd., Summit Industrial Co., Ltd., Tai Ve Corporation, Saigon Ve Wong Co., Ltd., Thai Fermentation Industry Co., Ltd. (including Champion Fermentation Co., Ltd.), Samoa Ve Wong International Ltd., Samoa Best Founder Corporation and Green TFL Co., Ltd.



The financial information of the Company's significant Associate is summarized as follows :

	As at December 31,	
	2022	2021
	Hughes Biotech. Co., Ltd.	Koh Kong Sugar Industry Co., Ltd.
CURRENT ASSETS	\$ 10,118	\$ 3,303
NONCURRENT ASSETS	\$ 1,670	\$ 1,216,708
CURRENT LIABILITIES	\$ 1,376	\$ 680,263
NONCURRENT LIABILITIES	\$ -	\$ 4,446

	For the years ended December 31,	
	2022	2021
NET REVENUE	\$ 1,108	\$ 114
GROSS PROFIT (LOSS)	\$ 734	\$ (35,327)
NET LOSS FOR THE YEAR	\$ (8,857)	\$ (8,182)
TOTAL COMPREHENSIVE INCOME	\$ (8,857)	\$ (43,509)

The adjustment from the listed summary financial information to the book amount of the equity of the Associate is listed below :

	As at December 31,	
	2022	2021
Net assets	\$ 10,412	\$ 535,302
Shareholding ratio	\$ 33.65%	\$ 11.98%
The company's rights	\$ 3,504	\$ 64,108
Book value of investment	\$ 3,225	\$ 64,108

(IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2022 and 2021 were as follows:

	Land	Bulidings	Machinery and equipment	Transportation Equipment	Miscellaneous equipment	Other equipment	Idled Assets	Construction in Progress	Total
<u>Cost</u>									
Balance at January 1, 2021	\$ 554,865	\$ 357,660	\$ 925,417	\$ 117,644	\$ 35,696	\$ 14,549	\$ 17,616	\$ -	\$ 2,023,447
Additions	-	3,700	24,860	-	-	-	-	-	28,560
Disposals	-	(587)	(9,680)	(906)	(1,494)	(114)	-	-	(12,781)
Transferred	-	391	20,343	-	-	-	-	-	20,734
Balance at December 31, 2021	554,865	361,164	960,940	116,738	34,202	14,435	17,616	-	2,059,960
Additions	-	1,184	11,276	170	1,314	-	-	106,393	120,337
Disposals	-	-	(4,925)	(1,390)	(18)	-	-	-	(6,333)
Transferred	-	11,703	5,104	-	-	-	-	-	16,807
Balance at December 31, 2022	\$ 554,865	\$ 374,051	\$ 972,395	\$ 115,518	\$ 35,498	\$ 14,435	\$ 17,616	\$ 106,393	\$ 2,190,771

(next)

(continued)

Accumulated  
depreciation

Balance at January 1, 2021	\$ -	\$ 289,630	\$ 767,511	\$ 94,461	\$ 31,655	\$ 12,820	\$ 13,273	\$ -	\$ 1,209,350
Depreciation	-	9,162	32,998	8,336	926	254	-	-	51,676
Disposals	-	(583)	(9,523)	(869)	(1,416)	(111)	-	-	(12,502)
Balance at December 31, 2021	-	298,209	790,986	101,928	31,165	12,963	13,273	-	1,248,524
Depreciation	-	9,708	35,603	5,427	906	247	-	-	51,891
	-	-	(4,784)	(1,344)	(18)	-	-	-	(6,146)
Balance at December 31, 2022	\$ -	\$ 307,917	\$ 821,805	\$ 106,011	\$ 32,053	\$ 13,210	\$ 13,273	\$ -	\$ 1,294,269

Accumulated  
impairment

Balance at January 1, 2021	\$ 43,843	\$ -	\$ 114	\$ -	\$ 11	\$ -	\$ 4,343	\$ -	\$ 48,311
Balance at December 31, 2021	43,843	-	114	-	11	-	4,343	-	48,311
Transferred	-	-	11	-	(11)	-	-	-	-
Disposals	-	-	(125)	-	-	-	-	-	(125)
Balance at December 31, 2022	\$ 43,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,343	\$ -	\$ 48,186

Book value

December 31, 2021	\$ 511,022	\$ 62,955	\$ 169,840	\$ 14,810	\$ 3,026	\$ 1,472	\$ -	\$ -	\$ 763,125
December 31, 2022	\$ 511,022	\$ 66,134	\$ 150,590	\$ 9,507	\$ 3,445	\$ 1,225	\$ -	\$ 106,393	\$ 848,316

- 1.The property and plant proved mortgage conditions, please refer to note VIII.
- 2.As of the end of 2022 and 2021, the insurance coverage of Property, plant and equipment was \$236,386 and \$234,247, respectively.
- 3.As of December 31, 2021, the recoverable amount (net fair value) of some of the Company's Property, plant and equipment was less than the book value of \$48,311, and the accumulated impairment after deduction was \$48,311, based on the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31, 2020). In 2022, the Company disposed of some of the impairment equipment, thus writing off the accumulated impairment \$125. As of December 31, 2022, some of the Company's Property, plant and equipment are based on the real estate valuation report issued by an external independent professional appraisal agency and the Company's evaluation. The recoverable amount (net fair value) is less than the book value \$48,186, and the accumulative impairment has been listed as \$48,186.
- 4.According to the real estate appraisal report issued by an external independent professional appraisal agency and the company's evaluation, as of December 31, 2022, the total fair value of the above-mentioned Property, plant and equipment was \$1,286,147(the fair value belongs to the second level); As of December 31, 2020, the total fair value of the above-mentioned Property, plant and equipment was \$808,627(the fair value belongs to the second level), according to the appraisal results of the Company, the fair value of the above property, plant and equipment as at December 31, 2021 has not changed significantly.
- 5.Regarding the evaluation method of the fair value of Property, plant and equipment, in 2022 the land was mainly estimated by the comparison method and the income method (using each weight 40%~60%), and the building was estimated by the cost method, the important assumption is the

income capitalization rate(2.55%-3.28%); In 2020 the land was mainly estimated by the comparison method and the income method (using each weight 40%~60%), and the building was estimated by the cost method, the important assumption is the income capitalization rate(3.28%-3.97%).

(X) Right-of-use assets

The movement of right-of-use assets for the years ended December 31, 2020 and 2019 were as follows :

	Cost	Accumulated depreciation	Net
Balance at January 1, 2021	\$ 61,258	\$ 25,856	\$ 35,402
Additions	19,076	-	19,076
Disposals	(10,870 )	(10,870 )	-
Depreciation	-	14,151	(14,151)
December 31, 2021	69,464	29,137	40,327
Depreciation	-	14,120	(14,120)
December 31, 2022	\$ 69,464	\$ 43,257	\$ 26,207

The depreciation expenses of the right-of-use assets of the Company in 2022 and 2021 were \$14,120 and \$14,151, respectively.

(XI) Investments properties

The movement of investments properties for the years ended December 31, 2021 and 2020 were as follows:

	Land	Bulidings	Total of cost	Accumulated depreciation	Accumulated impairment	Net
Balance at January 1, 2021	\$ 227,063	\$ 198,489	\$ 425,552	\$ (11,708 )	\$ (49,172 )	\$ 364,672
Depreciation	-	-	-	(9,065 )	-	(9,065 )
December 31, 2021	227,063	198,489	425,552	(20,773 )	(49,172 )	355,607
Depreciation	-	-	-	(9,065 )	-	(9,065 )
Reversal of impairment loss	-	-	-	-	14,190	14,190
December 31, 2022	\$ 227,063	\$ 198,489	\$ 425,552	\$ (29,838 )	\$ (34,982 )	\$ 360,732

- 1.The cost model is adopted for the measurement after the recognition of the investments properties.
- 2.As of the end of 2022 and 2021, the insurance coverage of Investments properties was \$176,173 and \$186,827, respectively.
- 3.As of December 31, 2021, the recoverable amount (net fair value) of some of the Company's investments properties was less than the book value of \$49,172, and the accumulated impairment after deduction was \$49,172 were based on the evaluation results of the real estate appraisal report issued by an external independent professional appraisal agency (price date: December 31,2020). Based on the evaluation results of the real estate valuation report issued by an external independent professional appraisal agency in 2022, the Company reassessed the impairment loss of some investment real estate at the beginning of the period of \$49,172, and generated a reversal benefit of \$14,190, so it was recognized in 2022 \$14,190 for reversal of impairment loss. As of December 31, 2022, the recoverable amount (net fair value) of some of the Company's investments properties was less than the book value of \$34,982, and the accumulated impairment after deduction was \$34,982.
- 4.The rental income from investments properties in 2022 and 2021 was \$5,470 and \$5,200, direct operating expenses incurred was \$10,260 and \$10,267, respectively.

5. According to the real estate appraisal report issued by an external independent professional appraisal agency and the Company's evaluation, in 2022 was based on the external independent professional appraisal. According to the real estate valuation report issued by the institution, the fair value of the above-mentioned investments properties as of December 31, 2022 totaled \$398,580 (the fair value belongs to the second level), the fair value of the above-mentioned investments properties as of December 31, 2020 totaled \$367,457 (the fair value belongs to the second level) the fair value of the above Investments properties as at December 31, 2021 has not changed significantly.
6. Regarding the evaluation method of the fair value of investments properties, in 2022 and 2020, the land was mainly estimated by the comparison method and the income method or the land development analysis method (50% of each weight), and the cost method was used for the building, its important assumptions are as follows:

	As at December 31,	
	2022	2020
Income capitalization rate	3.28%-3.80%	3.28%-4.77%
Comprehensive rate of capital interest in land development analysis method	1.41%	1.41%

7. For the assets of the Company pledged as collateral, please refer to note VIII.

(XII) Prepayments and other assets

	As at December 31,	
	2022	2021
Prepayments to suppliers	\$ 1,143	\$ 961
Prepaid expenses	2,681	3,442
Other receivables	5,848	2,051
Overdue receivables	316,334	314,696
Less: allowance for impairment loss		
-overdue receivables	(316,334)	(314,696)
Other intangible assets	4,792	6,026
Other	7,345	2,355
Total	\$ 21,809	\$ 14,835
Current items	\$ 13,809	\$ 6,454
Noncurrent items	8,000	8,381
Total	\$ 21,809	\$ 14,835

Other receivables and collections belong to the part of the receivables over one year, and all allowances for losses have been provided.

The statement of changes in the loss allowance is as follows:

	For the years ended December 31,	
	2022	2021
Beginning balance	\$ 314,696	\$ 314,696
Recognized impairment loss	1,638	-
Ending balance	\$ 316,334	\$ 314,696

(XIII) Short-term loans

	As at December 31,	
	2022	2021
Secured loans	\$ 650,000	\$ 530,000
Unsecured loans	200,000	290,000
Total	\$ 850,000	\$ 820,000
Range of interest rates	1.471%-1.900%	0.950%-1.180%

For the assets of the Company pledged as collateral, please refer to note VIII.

(XIV) Lease liabilities

The analysis of the Company's lease liabilities is as follows:

	Minimum rent payment of future	Interest expense	Present value of minimum rent payment
As at December 31, 2022			
Not later than 1 year	\$ 12,652	\$ 215	\$ 12,437
Later than 1 year and not later than 5 years	12,588	183	12,405
Later than 6 year	-	-	-
Total	<u>\$ 25,240</u>	<u>\$ 398</u>	<u>\$ 24,842</u>
Lease liabilities-current	<u>\$ 12,652</u>		<u>\$ 12,437</u>
Lease liabilities-noncurrent	<u>\$ 12,588</u>		<u>\$ 12,405</u>
As at December 31, 2021			
Not later than 1 year	\$ 12,792	\$ 372	\$ 12,420
Later than 1 year and not later than 5 years	26,950	398	26,552
Later than 6 year	-	-	-
Total	<u>\$ 39,742</u>	<u>\$ 770</u>	<u>\$ 38,972</u>
Lease liabilities-current	<u>\$ 12,792</u>		<u>\$ 12,420</u>
Lease liabilities-noncurrent	<u>\$ 26,950</u>		<u>\$ 26,552</u>

The interest expense of the recognized lease liability in 2022 and 2021 was \$371 and \$364, respectively.

The amount of cash outflow for leases recognized in 2022 and 2021 was \$14,130 and \$14,138, respectively.

(XV) RETIREMENT BENEFIT PLANS

In accordance with the Labor Standards Act, Factory Law and Labor Pension Act, the Company has a retirement plan for officially hired employees.

1. Defined benefit plans

Those who have served the Company for more than 15 years and have reached the age of 55, or those who have served the Company for more than 25 years, or those who have worked for more than 10 years and have reached the age of 60 may apply for retirement. The pension payment is based on their years of service. And the average salary for the 6 months before the approved retirement is calculated. 2 bases will be given for every full year. After 15 years of working experience, 1.3 bases will be given for every full year. The maximum total is limited to 45 bases. Those who have completed half a year are calculated as half a year, and those who have completed half a year are calculated as 1 year. However, if the person is ordered to retire due to the loss of mind or body due to the performance of his duties, he may be ordered to retire based on the above-mentioned base number, plus 20%. For those who originally enjoyed retirement compensation, an additional 2.6 base compensation will be issued upon retirement (not included in the maximum 45 bases of the retirement pension). For those who choose to apply the Labor Pension Act, the Company will allocate monthly pensions to individual labor accounts, and the old age of the applicable Labor Standards Act will be retained, but when calculating the pension base, the age of the applicable labor pension act will not be calculated.

The Company's retirement policy is applicable to full-time employees who are formally hired. Retirement benefits are provided at 15% of the salary paid each month by adopting the part of the definite payment retirement method. As a result of actuarial calculations, the company's pension-related information is disclosed as follows:

(1) Actuarial assumptions for defined benefit plans:

	As of December 31,	
	2022	2021
Discount rate	1.20%	0.65%
Expected rate of salary increase	4.00%	3.00%

(2) Determine the expenses recognized in the defined benefit plans:

	For the years ended December 31,	
	2022	2021
Current service cost	\$ 2,233	\$ 2,695
Net interest expense	1,150	567
Recognized in profit or loss	<u>\$ 3,383</u>	<u>\$ 3,262</u>

(3) Recognized in other comprehensive income:

	For the years ended December 31,	
	2022	2021
Remeasurement of net defined benefit liabilities	<u>\$ (8,923 )</u>	<u>\$ 18,412</u>

(4) The adjustments to present value of defined benefit obligation and fair value of plan assets are as follows:

Item	As of December 31,	
	2022	2021
Present value of defined benefit obligation	\$ 571,621	\$ 588,965
Fair value of plan assets	(418,341)	(399,715)
Net defined benefit liabilities	<u>\$ 153,280</u>	<u>\$ 189,250</u>

(5) The changes in the present value of defined benefit obligation are as follows:

	For the years ended December 31,	
	2022	2021
Balance at January 1	\$ 588,965	\$ 601,190
Current service cost	2,233	2,695
Net interest expense	3,692	1,743
Benefits paid	(45,740 )	(40,953 )
Actuarial loss - experience adjustments	5,966	(2,288 )
Actuarial loss - changes in demographic assumptions	1	869
Actuarial loss - changes in financial assumptions	16,504	25,709
Balance at December 31	<u>\$ 571,621</u>	<u>\$ 588,965</u>

(6) The changes in the fair value of plan assets are as follows:

	For the years ended December 31,	
	2022	2021
Balance at January 1	\$ 399,715	\$ 399,080
Contribution by employer	24,630	25,372
Benefits paid	(39,940 )	(31,790 )
Return on plan assets	33,936	7,053
Balance at December 31	<u>\$ 418,341</u>	<u>\$ 399,715</u>

(7) Sensitivity analysis

The sensitivity analysis of the Company's defined benefit obligation is based on the discount rate and salary adjustment rate of actuarial assumptions. The discount rate and salary adjustment rate are calculated by adding or subtracting 0.25% before other actuarial assumptions remain unchanged:

a. Sensitivity analysis of discount rate :

	Discount rate			
	As of December 31,			
	2022		2021	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation assumptions	\$ 561,868	\$ 581,648	\$ 578,494	\$ 599,742
Calculate according to the original hypothesis	571,621	571,621	588,965	588,965
Determine the loss of benefit obligation (benefits)	(9,753 )	10,027	(10,471 )	10,777
Determine the percentage change in benefit obligations	(1.71% )	1.72%	(1.78% )	1.83%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2022		2021	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation assumptions	\$ 581,351	\$ 562,105	\$ 599,467	\$ 578,705
Calculate according to the original hypothesis	571,621	571,621	588,965	588,965
Determine the loss of benefit obligation (benefits)	9,730	(9,516)	10,502	(10,260)
Determine the percentage change in benefit obligations	1.70%	(1.66%)	1.78%	(1.74%)

(8) Expected future benefit payments are as follow

	As of December 31,	
	2022	2021
Expected to pay benefits in the next 1 year	\$ 42,157	\$ 42,051
Expected to pay benefits in the next 2~5 years	198,724	199,423
Expected to pay benefits more than 6 years	378,501	373,953
Total	\$ 619,382	\$ 615,427

(9) The company expected contributions to the plan for the next year and the average duration of the defined benefit obligation are as follows :

	As of December 31,	
	2022	2021
The expected contributions to the plan for the next year	\$ 25,000	\$ 24,600
The average duration of the defined benefit obligation	6years	7years

2. Defined contribution plans

The employees of the Company may choose to continue to apply the relevant pension regulations of the "Labor Standards Act", or apply the pension system of the regulations and retain the working years before the regulations are applied. According to the regulations, the employer's monthly labor pension contribution rate shall not be lower than 6% of the employee's monthly salary. In 2022 and 2021, the Company's pension contributions in accordance with the Labor Pension Act were \$15,002 and \$14,165, respectively.

(XVI) Operating lease

The Company leased investments properties in 2022 and 2021. Since almost all the risks and rewards attached to the ownership of the underlying assets have not been transferred, these lease contracts are classified as operating leases. Please refer to note VI (XI) Investments properties.

The analysis of the maturity of lease receivable on December 31, 2022 and 2021 is as follows :

	As of December 31,	
	2022	2021
Under 1 year	\$ 5,114	\$ 5,086
More than 1 year but not more than 5 years	4,914	8,028
More than 5 years	533	1,448
Total	<u>\$ 10,561</u>	<u>\$ 14,562</u>

(XVII) INCOME TAX

In 2022 and 2021, the corporate income tax rate was 20%, the basic tax rate on income was 12%. A reconciliation of current tax assets and liabilities and income tax expense and Current tax liabilities was as follows:

1. Income tax expense consisted of the following :

	For the years ended December 31,	
	2022	2021
Current tax expense recognized in the current year	\$ 31,922	\$ 30,486
Income tax adjustments on prior years	(1,229 )	(6,956 )
Separate taxation of dividend income	-	49,809
The origination and reversal of temporary differences	40,556	(1,236 )
Income tax expense recognized in profit or loss	<u>\$ 71,249</u>	<u>\$ 72,103</u>

A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the years ended December 31,	
	2022	2021
Income before tax	\$ 696,645	\$ 519,981
Income tax expense at the statutory rate	\$ 139,328	\$ 103,996
Permanent difference	(60,084 )	(80,056 )
Temporary difference	(50,133 )	1,979
Income tax on unappropriated earnings	2,811	4,567
Income tax adjustments on prior years	(1,299 )	(6,956 )
Separate taxation of dividend income	-	49,809
The origination and reversal of temporary differences	40,556	(1,236 )
Income tax expense recognized in profit or loss	<u>\$ 71,249</u>	<u>\$ 72,103</u>



A reconciliation of current tax assets and liabilities and income tax expense recognized in profit or loss was as follows:

	2022	2021
Current tax expense recognized in the current year	\$ 31,922	\$ 30,486
Add : Current tax liabilities at beginning of year	-	38,755
Income tax adjustments on prior years	-	138
Separate taxation of dividend income	-	49,809
less : paid	(31,219)	(119,188)
Current tax liabilities at end of year	<u>\$ 703</u>	<u>\$ -</u>
	2022	2021
Current tax assets at beginning of year	\$ 2,807	\$ 12,195
Add : Provisional and withholding tax	-	2,807
Current income tax adjustment in previous years	1,229	7,094
Less : Current tax expense recognized in the current year	(1,229)	(19,289)
Current tax assets at end of year	<u>\$ 2,807</u>	<u>\$ 2,807</u>

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred income tax expense		
Related to remeasurement of defined benefit obligation	\$ -	\$ -
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	-
Share of the other comprehensive income (loss) for using the equity method	-	-
Exchange differences on translating the financial statements of foreign operations	-	-
Total income tax recognized in other comprehensive income	<u>\$ -</u>	<u>\$ -</u>

2. The movements of deferred tax assets and deferred tax liabilities were as follows :

	2022					
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	Ending balance
Temporary difference						
Unrealized inventory loss	\$ 311	\$ 64	\$ -	\$ -	\$ -	\$ 375
Unrealized exchange loss	7,672	(15,698)	-	-	-	(8,026)
Allowance for impairment loss	701	351	-	-	-	1,052
Unrealized employee benefit liabilities (next)	15,254	(5,410)	-	-	-	9,844

(continued)

Impairment loss on nonfinancial assets	1,539	(25)	-	-	-	1,514
Others	(177,613)	(19,838)	-	-	-	(197,451)
Deferred tax expense		<u>\$ (40,556)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net		<u>\$ (152,136)</u>				<u>\$ (192,692)</u>
Information expressed on the balance sheet						
Deferred tax assets		<u>\$ 25,477</u>				<u>\$ 12,785</u>
Deferred tax liabilities		<u>\$ 177,613</u>				<u>\$ 205,477</u>

	2021					Ending balance
	Balance at January 1	Recognized in profit or (loss)	Recognized in other comprehensive income	Recognized in equity	Exchange difference	
Temporary difference						
Unrealized inventory loss	\$ 621	\$ (310)	\$ -	\$ -	\$ -	\$ 311
Unrealized exchange loss	6,611	1,061	-	-	-	7,672
Allowance for impairment loss	741	(40)	-	-	-	701
Unrealized employee benefit liabilities	21,508	(6,254)	-	-	-	15,254
Impairment loss on nonfinancial assets	894	645	-	-	-	1,539
Others	(183,747)	6,134	-	-	-	(177,613)
Deferred tax expense		<u>\$ 1,236</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net		<u>\$ (153,372)</u>				<u>\$ (152,136)</u>
Information expressed on the balance sheet						
Deferred tax assets		<u>\$ 30,375</u>				<u>\$ 25,477</u>
Deferred tax liabilities		<u>\$ 183,747</u>				<u>\$ 177,613</u>

### 3. Unrecognized deferred income tax assets and Deferred income tax liabilities

#### (1) Unrecognized deferred income tax assets

The Company is not likely to have taxable income that can be realized or will return in the foreseeable future, and the unrecognized deferred income tax assets are as follows :

Deferred Income tax expense recognized in profit or loss	As of December 31,	
	2022	2021
Unrecognized deferred income tax assets :		
Temporary difference	<u>\$ 94,213</u>	<u>\$ 159,439</u>

#### (2) Unrecognized deferred income tax assets and liabilities related to investment subsidiaries and related companies

For foreign subsidiaries and foreign affiliates, the Company did not recognize related deferred income tax assets/or deferred income tax liabilities due to the conversion differences in the financial statements of foreign operating institutions. Most of the Company's investments are long-term in nature and will not be dealt with in the foreseeable future. The differences will not reverse in the foreseeable future, or the differences will not be realized in the foreseeable future.

Deferred Income tax expense recognized in other comprehensive income	As of December 31,	
	2022	2021
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	<u>\$ 10,267</u>	<u>\$ 33,920</u>

#### 4. Income tax assessments

The Corporation's income tax returns through 2021 have been examined by the tax authority.

#### 5. Information about undistributed earnings

The tax rate of undistributed earnings is 5%.

### (XVIII) Equity

#### 1. Capital stock

The total authorized capital of the Company were \$2,400,000, separately at NTD10 par value with 240,000 thousand shares separately issued. The total authorized capital stated above was common share. As of December 31, 2022 and 2021, the shares issued were \$2,400,000 and 240,000 thousand shares based on the same denomination.

The balance of the Company's capital stock is as follows :

Items	Amount
Original subscription and cash capital increase	\$ 537,762
Capitalization of retained earnings	1,251,626
Capitalization of capital surplus	563,439
Capitalization of special capital reserve	47,173
Total	\$ 2,400,000

#### 2. Capital surplus

Pursuant to the Company Act, the capital surplus may be used to offset a deficit; the capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may not be used for any purpose, except may be appropriate capital in accordance with the resolution of the shareholders meeting.

The capital reserve generated by the premium of the issued share capital shall not exceed the limit prescribed by relevant laws and regulations. The capital reserve can also be distributed in cash.

The balance of the Company's capital surplus is as follows :

Items	As of December 31,	
	2022	2021
Treasury stock trading	\$ 43,493	\$ 40,970
Changes in the net equity of the associates are recognized in accordance with the equity method	-	167,367
Total	\$ 43,493	\$ 208,337

#### 3. Legal capital reserve

Pursuant to the Company Act, the legal capital reserve shall be allocated until the total paid-in capital of the company. The legal capital reserve can be used to make up for losses; when the company has no losses, it can be approved by the shareholders meeting to issue new shares or cash with the legal capital reserve, but only if the reserve exceeds 25% of the paid-in capital.

According to the Ministry of Economic Affairs Letter No. 10802432410 dated January 9, 2020, when a company makes a statutory surplus reserve in accordance with Article 237 of the Company Law, it shall be handled by the company on the basis of "net profit after tax for the current period" Starting from the distribution of surplus in the financial statements for the year 2019, the statutory surplus reserve shall be set out as the basis for the statutory surplus reserve, but the company can extend it to 2020 after the current period's net profit after tax plus the amount of items other than the current period's net profit after tax included in the current year's undistributed surplus. The distribution of surpluses in the annual financial statements is

applicable. There is no need to retrospectively adjust the statutory surplus reserve provided by the company in the past year. The Company began to apply the surplus distribution in the 2020 financial statements.

#### 4. Special capital reserve

According to the regulations of the FSC, the listed company shall make a special surplus reserve for the net deduction of shareholders' equity in the account. When the deduction amount of shareholder's equity subsequently decreases, the special capital reserve may be transferred back to unappropriated earnings.

When first applying the IFRS approved by the FSC, the Company chose to adopt the exemption in IFRS 1 "First-time Adoption of International Financial Reporting Standards". The unrealized revaluation increment under the shareholder's equity was stated following the rule of using the fair value on the conversion date as the recognized cost to increase retained earnings. When relative assets were used, disposed or reclassified, the original rate to state the special reserves could be used to reverse the allocation of earnings. In addition, since the distribution of 2020 earnings, the Company has started to pursuant to the regulations of Gin-Guan-Zheng-Fa-Zi No.1090150022 issued on March 31, 2021.

#### 5. Distribution of earnings

According to the articles of association of the Company: If the Company makes a profit during the year, 2% shall be allocated for employee remuneration and 5% or less for directors and supervisors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

The Company's industrial environment is changeable, and the life cycle of the Company is in a stable growth stage. Considering the company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, if the Company has a surplus after its annual accounts, it will not be paid in accordance with the law. In addition to income tax for profit-making businesses and making up of losses in previous years, 10% of the statutory surplus reserve and special surplus reserve required by the Securities Exchange Law should be allocated first. If there is a surplus, it may be based on the actual profit and capital situation of the current year. After the resolution of the board of directors is passed, it is reported to the shareholders meeting to resolve the distribution of shareholder dividends.

At 2022, the Company's estimated total amount of employee compensation and directors and supervisors' compensation is \$36,666. According to the Company's management, distribution plan, the amount of pre-tax net profit for the year before the deduction of employee compensation and directors and supervisors' compensation is estimated at a rate and recognized It is the cost of the current year. However, if there is a discrepancy between the actual allotment amount and the estimated amount in the subsequent resolutions of the shareholders' meeting, it will be listed as the profit and loss of the year of the shareholders' meeting.

On June 22, 2022 and July 14, 2021, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2021 and 2020, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2021	2020
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1.1
employee remuneration -Cash	\$ 10,947	\$ 10,878
Directors and supervisors remuneration	16,420	16,318
Total	\$ 27,367	\$ 27,196

There is no difference between the above-mentioned surplus distribution and the resolution of the company's board of directors.

The board of directors of the Company resolved on March 29, 2023 to pass the 2022 surplus distribution proposal as follows :

	Earnings distribution 2022	Dividend per share (NTD) 2022
legal capital reserve	\$ 63,664	
Cash dividend	264,000	\$ 1.1
Total	<u>\$ 327,664</u>	

The appropriation of earnings for 2022 is subject to the resolution of the stockholders in the stockholders' meeting.

Regarding the approval of the board of directors and the resolution of the shareholders meeting for the distribution of earnings, please go to the "Market Observation Post System" of the Taiwan Stock Exchange for inquiries.

The above-mentioned information on employee compensation and directors and supervisors' compensation can be inquired from the " Market Observation Post System " of the Taiwan Stock Exchange.

#### 6. Dividend policy

The Company's industrial environment is changeable, and the life cycle of the Company is at a stage of steady growth. Considering the Company's future capital needs and long-term financial planning, and meeting shareholders' demand for cash inflows, the Company's dividend policy comprehensively considers capital reserves and retention factors such as surplus, financial structure, capital budget and operating conditions determine the most appropriate method of distribution.

#### 7. Other equity

The relevant exchange difference arising from the conversion of the net assets of the foreign operating organization from its functional currency into New Taiwan dollars is directly recognized as other comprehensive income and accumulated in the exchange differences on translating the financial statements of foreign operations under other equity items. For financial assets measured at fair value through other comprehensive gains and losses, changes in fair value are directly recognized as other comprehensive gains and losses, and accumulated under other equity items that are unrealized appraisal gains and losses for financial assets measured at fair value through other comprehensive gains and losses. It shall not be reclassified to profit or loss in subsequent periods. The actuarial gains and losses on the determined benefit plan are recognized under other comprehensive gains and losses, and immediately recognized as retained earnings, and cannot be reclassified to profit or loss in subsequent periods.

#### (XIX) Treasury stocks

Cause	Subsidiary name	Number of shares as of January 1	Net Increase (Decrease)	Number of shares as of December 31
<u>12.31.2022</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2021</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865

The company's Subsidiary, The World Champion Co., Ltd., holds shares of the company, with a cost of NTD\$16.86 per share, the market price of each share on December 31, 2022 and 2021 was NTD\$34.90 and NTD\$32.55, respectively.

(XX) EARNINGS PER SHARE

The earnings per share and the weighted average number of ordinary shares used to calculate the earnings per share are as follows :

	<u>2022</u>	<u>2021</u>
<u>Net Profit for the Year</u>		
Profit attributable to ordinary shareholders	\$ 625,396	\$ 447,878
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
Earnings used to calculate diluted earnings per share	<u>\$ 625,396</u>	<u>\$ 447,878</u>

	<u>2022</u>	<u>2021</u>
<u>Thousand shares</u>		
The weighted average number of ordinary shares used to calculate basic earnings per share	237,706	237,706
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
The weighted average number of ordinary shares used to calculate the diluted earnings per share	<u>237,706</u>	<u>237,706</u>

The company has the option to settle compensation paid to employees in cash or stock. During the computation of diluted earnings per share, the company assumed the entire amount of the compensation or bonuses would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding, if the effect is dilutive. The Company's authorized capital has been issued in full, and employee compensation has been paid in cash. Therefore, the basic earnings per share and the diluted earnings per share are the same.

(XXI) Employee benefits, depreciation and amortization expense

	<u>Belonging to operating costs</u>	<u>Belonging to operating expenses</u>	<u>Total</u>
<u>2022</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 205,635	\$ 225,018	\$ 430,653
Labor/health insurance expense	23,418	21,399	44,817
Pension expense (Note a)	9,210	9,175	18,385
Director's remuneration	-	27,904	27,904
Total	<u>\$ 238,263</u>	<u>\$ 283,496</u>	<u>\$ 521,759</u>
Depreciation expense	<u>\$ 56,058</u>	<u>\$ 19,018</u>	<u>\$ 75,076</u>
Amortization expense	<u>\$ 4,312</u>	<u>\$ 1,800</u>	<u>\$ 6,112</u>

<u>2021</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 199,331	\$ 216,917	\$ 416,248
Labor/health insurance expense	21,840	21,156	42,996

(next)

(continued)

Pension expense (Note a)	8,599	8,828	17,427
Director's remuneration	-	22,606	22,606
Total	<u>\$ 229,770</u>	<u>\$ 269,507</u>	<u>\$ 499,277</u>
Depreciation expense	<u>\$ 52,896</u>	<u>\$ 21,996</u>	<u>\$ 74,892</u>
Amortization expense	<u>\$ 5,865</u>	<u>\$ 1,267</u>	<u>\$ 7,132</u>

Note a : please refer to note VI(XV).

Note b : please refer to note VI(XVIII).

- 1.As of December 31, 2022 and 2021, the number of employees of the Company was 743 and 748, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2022 and 2021 were \$677 and \$649, respectively.
- 3.The average salary costs in 2022 and 2021 were \$590 and \$566, respectively, and the average increase in salary for employees in the two years was 4.24% and 1.88%, respectively.
- 4.Supervisors' Remuneration in 2022 and 2021: The Company has no supervisors, so it is not applicable.
- 5.The Company's employee remuneration policy: The Company's employee salaries include salary, job allowances, work allowances, full attendance bonuses, annual bonuses and other items. New employees are paid based on their academic experience, market conditions and the company's ability to pay, while existing employees are adjusted based on price changes, employee performance and the company's ability to pay. Employee remuneration is based on Article 34 of the company's articles of association. If the company makes a profit each year, 2% shall be allocated as employee remuneration, but if the Company still has accumulated losses, it shall reserve the compensation amount in advance. The salary of managers and employee remuneration have been reviewed and approved by the Company's salary and remuneration committee.
- 6.The remuneration policy of directors of the Company: Article 31 of the Company's articles of association stipulates that the remuneration of directors shall be authorized by the board of directors to be negotiated with reference to the level of peers in accordance with the degree of participation of the directors in the operation of the company and the value of their contributions. Remuneration of Directors According to Article 34 of the Articles of Association of the Company, if the Company makes a profit during the year, it shall allocate less than 5% as directors' remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance. The remuneration of the Company's directors has been reviewed and approved by the Company's salary and remuneration committee on the Company's scale, industry characteristics, business nature, operating performance, market conditions, future risks, and salary and remuneration over the years.

(XXII) Operating revenue

The analysis of the Company's operating revenue is as follows:

	For the years ended December 31,	
	2022	2021
Sales revenue	\$ 2,361,234	\$ 2,306,253
Rental income	5,470	5,200
Total	<u>\$ 2,366,704</u>	<u>\$ 2,311,453</u>

The Company's merchandise sales revenue is generated by the transfer of merchandise to customers at a certain point in time; rental income is generated by the gradual transfer of labor services to customers over time.

(XXIII) Other income

	For the years ended December 31,	
	2022	2021
Dividend income		
From financial assets at fair value through other comprehensive income	<u>\$ 10,218</u>	<u>\$ 7,045</u>

(XXIV) Other gains and losses

	For the years ended December 31,	
	2022	2021
Net foreign currency exchange losses	\$ 101,311	\$ (16,208 )
Royalty income	8,091	6,712
Income from personnel expenses sharing	4,000	4,000
Commission income	74	145
Directors' remuneration income	21,595	22,823
Others	12,248	9,697
Loss on disposal of property, plant and equipment	(62)	(279)
Gain on disposal of non-current assets held for sale	126,770	-
Reversal of investments properties impairment loss	14,190	-
Fair value changes of financial assets mandatorily classified as at FVTP	-	6,573
Total	<u>\$ 288,217</u>	<u>\$ 33,463</u>

Gain on disposal of non-current assets held for sale

1. On June 8, 2022, the Company made a resolution of the executive board of directors: agreeing to sale Koh Kong Sugar Industry Co., Ltd., invested by the Company, and Koh Kong Plantation Co., Ltd., invested by Best Founder Corporation. The Company reclassifies the amount of relevant assets of \$68,876 to non-current assets held for sale; in addition, the accumulated income related to non-current assets classified as non-current assets held for sale and recognized in other comprehensive profit and loss (Exchange Differences on Translating the Financial Statements of Foreign Operations) \$2,094, also reclassified to non-current assets held for sale and expressed separately.
2. The above-mentioned investment company has suspended business activities since October 2018. The management of the Company has assessed that the possibility of its resumption of business is extremely slim, and its financial situation is difficult to improve. As of June 30, 2022, accumulated losses have been provided A total of \$68,876, with a net book value of \$0.
3. On July 4, 2022, the Company signed an agreement with Thailand's Khon Kaen Sugar Industry Public Company Limited to transfer all the shares held of associates Cambodia Koh Kong Sugar Industry Co., Ltd., and Cambodia Koh Kong Plantation Co., Ltd. The share transfer agreement, the transfer price is US\$1 per share, the share transfer settlement date (Settlement Date) is July 12 of the same year, and on July 18 of the same year, The Company received a notice from Thailand Siam Commercial Bank about releasing the Company's endorsement quarantine for associates Cambodia Koh Kong Sugar Industry Co., Ltd., and Cambodia Koh Kong Plantation Co., Ltd. In this equity sale transaction, the company's sale price is US\$20, and delist the book value contains \$124,675 for capital reserve and \$2,094 for related equity in non-current assets held for sale, In addition, recognized gain on disposal of non-current assets held for sale was \$126,770, and in 2022, due to the above-mentioned sale of equity transactions, the company adopted the equity method to delist the capital reserve of \$42,692.
4. The above listed equity sale transaction was submitted to the board of directors for approval on August 10, 2022.

(XXV) Finance costs

	For the years ended December 31,	
	2022	2021
Interest on bank loans	\$ 9,942	\$ 7,514
Interest on leases liabilities	371	364
Interest on deposit	4	4
Total	<u>\$ 10,317</u>	<u>\$ 7,882</u>



(XXVI) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2022	2021
<u>Financial assets</u>		
Measured at amortized cost		
Cash and cash equivalents	\$ 427,521	\$ 223,406
Notes and accounts receivable	297,770	304,997
Other receivables	15,779	15,790
Other financial assets	476,536	599,964
Financial assets measured at amortized cost	-	82,890
Refundable deposit	28,997	31,183
Subtotal	1,246,603	1,258,230
Measured at fair value		
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	136,805	172,984
Total	\$ 1,383,408	\$ 1,431,214
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term loans	\$ 850,000	\$ 820,000
Notes and accounts payable	241,752	236,816
Other payables	164,085	152,526
Lease liabilities	24,842	38,972
Total	\$ 1,280,679	\$ 1,248,314

2. Financial risk management objectives

The Company's financial risk management objective is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk related to operating activities. In order to reduce related financial risks, the Company is committed to identifying, evaluating and avoiding market uncertainties in order to reduce the potential adverse effects of market changes on the Company's financial performance.

The Company does not trade financial instruments for speculative purposes. The company has established appropriate policies, procedures and internal controls for the above financial risk management in accordance with relevant regulations. Important financial activities must be reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution period of financial management activities, the Company must actually follow the relevant regulations of financial risk management.

3. Market risk

The main market risks that the Company's operating activities impose on the Company are foreign currency exchange rate changes and interest rate changes. In addition, the Company uses its own funds and bank borrowings to flexibly adjust to meet operational needs. Because most of the Company's floating interest rate net assets mature within one year, and the current market interest rates are already low, it is expected that there will be no significant interest rate changes risk, so does not use derivative financial instruments to manage interest rate risk.

(1) Foreign currency risk

Some of the Company's operating activities and net investments in foreign operating institutions are mainly trade in foreign currencies, so foreign currency exchange rate risks arise. In order to avoid a decrease in the value of foreign currency assets and fluctuations in future cash flows due to exchange rate changes, the Company uses short-term loans to avoid exchange rate risks. The use of such financial instruments can help the Company reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

The net investment of foreign operating institutions is a strategic investment, so the Company does not hedge against it.

Sensitivity analysis of foreign currency exchange rate risk is mainly calculated based on foreign currency monetary items at the end of the financial reporting period. When NTD strengthens / weakened against the USD by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by \$6,779 and \$7,719, respectively.

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the fair value of financial instruments and changes in cash flow due to changes in market interest rates. The Company's interest rate risk includes the above two.

The sensitivity analysis of interest rate risk is determined by the risk of non-derivative financial instrument interest rate risk at the end of the financial reporting period. If Interest rate increases / decreases by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by \$7,813 and \$6,900, respectively.

(3) Other price risks

The listed and unlisted equity securities held by the Company, the prices of these equity securities will be affected by the uncertainty of the future value of the investment targets.

All of the Company's major equity instrument investments must be approved by the Company's board of directors.

The listed equity securities are measured at fair value through other comprehensive gains or losses; and unlisted equity securities are measured at fair value through profit or loss and other comprehensive income, respectively.

The price risk of the Company's equity instruments mainly comes from investments classified as fair value through profit or loss and fair value through other comprehensive income.

The sensitivity analysis of equity instruments price risks is based on the change in fair value at the end of the financial reporting period. If the price of equity instruments rise/fall 1%, the profit for the years ended December 31, 2022 and 2021 increases / decreases by \$1,368 and \$1,730, respectively.

4. Credit risk management

Credit risk refers to the risk of the Company's financial losses caused by the counterparty's default. The Company's policy is to try to trade with reputable objects to reduce the risk of financial loss. In addition to pre-transaction credit investigations, the Company also continuously monitors credit risk insurance and counterparty credit status during the transaction process, and continues to diversify customer sources and expand overseas markets to reduce customer concentration.

The Company had no credit risk concentrated on a single customer in 2022 and 2021, so the credit risk is indeed limited.

5. Liquidity risk

The Company's goal of managing liquidity risk is to maintain cash and cash equivalents, highly liquid securities, and sufficient bank financing lines ensure that the Company has sufficient financial flexibility.

In addition to lease liabilities based on discounted, the table below summarizes the maturity profile of the Company's financial liabilities based on undiscounted contractual payments with carrying amounts that approximated contractual cash flows:

	As at December 31, 2022				
	Within 6 months	7~12 months	1~5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 610,000	\$ 240,000	\$ -	\$ -	\$ 850,000
Notes and accounts payable	241,752	-	-	-	241,752
Other payables	127,419	36,666	-	-	164,085
Lease liabilities	5,984	6,453	12,405	-	24,842
Total	\$ 985,155	\$ 283,119	\$ 12,405	\$ -	\$ 1,280,679

As at December 31, 2021					
	Within 6 months	7~12 months	1~5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 560,000	\$ 260,000	\$ -	\$ -	\$ 820,000
Notes and accounts payable	236,816	-	-	-	236,816
Other payables	125,159	27,367	-	-	152,526
Lease liabilities	5,906	6,514	26,552	-	38,972
Total	<u>\$ 927,881</u>	<u>\$ 293,881</u>	<u>\$ 26,552</u>	<u>\$ -</u>	<u>\$ 1,248,314</u>

#### 6. Foreign currency assets and liabilities with significant exchange rate fluctuations

The Company's business involves a variety of non-functional currencies, so it is affected by exchange rate fluctuations, and there are large exchange rate fluctuations. Information about foreign currency assets and liabilities is as follows :

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)	Exchange gains and losses
<u>Monetary items :</u>					
<u>As at December 31, 2022</u>					
Financial Assets					
Cash and cash equivalents	USD	5,205	30.665	\$ 190,288	\$ 11,622
Notes and accounts receivable	USD	700	30.665	21,476	(134 )
Notes and accounts receivable	EUR	21	32.76	699	8
Other financial assets	USD	21,004	30.665	580,354	28,426
Exchange gains and losses from general transactions					61,389
Net					<u>\$ 101,311</u>

#### As at December 31, 2021

Financial Assets					
Cash and cash equivalents	USD	3,215	27.63	\$ 88,843	\$ (3,626 )
Notes and accounts receivable	USD	693	27.63	19,207	-
Notes and accounts receivable	EUR	21	31.38	662	-
Other financial assets	USD	21,004	27.63	580,354	(23,588 )
Financial assets measured at amortized cost	USD	3,000	27.63	82,890	(10,694 )
Exchange gains and losses from general transactions					21,700
Net					<u>\$ (16,208 )</u>

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Non-Monetary items :</u>				
<u>As at December 31, 2022</u>				
Investments accounted for using equity method	USD	273	30.665	\$ 8,386
Investments accounted for using equity method	THB	1,097,858	0.8734	958,869
Investments accounted for using equity method	VND	599,951,897	0.0013097	785,757
<u>As at December 31, 2021</u>				
Investments accounted for using equity method	USD	2,858	27.63	\$ 78,966
Investments accounted for using equity method	THB	1,109,653	0.8141	903,368
Investments accounted for using equity method	VND	514,609,334	0.00122041	628,034

## 7. Fair value of financial instruments

### (1) Fair valuation techniques for instruments measured at fair value

#### A. Measure the fair value of financial instruments based on amortized cost

The Company's key management believes that the Company's financial assets and financial liabilities measured at amortized costs are close to their fair values in the accompanying parent company only financial statements.

#### B. Fair valuation techniques for instruments measured at fair value

The fair value of financial assets and financial liabilities is determined by the following methods:

- The fair value of financial assets and financial liabilities with standard terms and conditions that are traded in an active market is determined with reference to market quotes.
- The fair value of stocks that are not publicly quoted is determined according to market methods analysis and multiple methods (a kind of market methods), and based on recognizing pricing models.

### (2) The fair value recognized in the parent company only balance sheets.

The following table of the Company provides analysis information of financial instruments measured by fair value after initial recognition, and reveals the analysis information by dividing the fair value into the following three levels according to the degree of observability :

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 : Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (e.g. price) or indirectly (e.g. derived from price) from the active markets.

Level 3 : Level 3 inputs are inputs that measure fair value to the extent that relevant observable inputs are not available in the market.

### (3) Financial assets measured at fair value on a repeatability basis

The Company's financial assets measured at fair value on a repeatability basis, and their fair value levels are as follows :

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	84,733	-	-	84,733
Unlisted shares	-	-	52,072	52,072
Total	\$ 84,733	\$ -	\$ 52,072	\$ 136,805
As at December 31, 2021				
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	110,120	-	-	110,120
Unlisted shares	-	-	62,864	62,864
Total	\$ 110,120	\$ -	\$ 62,864	\$ 172,984

(4) Reconciliation of Level 3 fair value measurements of financial instruments

The Company's financial assets measured at the 3 level of fair value are mainly financial assets at fair value through other comprehensive income. The reconciliation from January 1 to December 31, 2022 and 2021 is as follows :

	2022	2021
Balance at January 1	\$ 62,864	\$ 59,078
Recognized in other comprehensive income	(10,792)	3,786
Balance at December 31	<u>\$ 52,072</u>	<u>\$ 62,864</u>

(5) In 2022 and 2021, the Company does not have a transfer fair value measurement of financial instruments between level 1 and level 2.

(XXVII) Capital management

The Company's capital management goal is to be able to maintain the best capital structure before continuing to operate and grow, so as to provide shareholders with sufficient remuneration. The Company's capital structure management strategy is based on factors such as the scale of the Company's business, the future growth of the industry, product development blueprints and changes in the external environment to plan the required production capacity and what is needed to achieve this capacity plant equipment and corresponding capital expenditure; According to the characteristics of the industry, calculate the required working capital and cash, and estimate the possible product profit, operating profit rate and cash flow, consider the industry's business cycle fluctuations and product life cycle and other risk factors to determine the most appropriate capital for the Company structure.

As the years ended December 31, 2022 and 2021, the Company's rate of liabilities is as follows :

	As at December 31,	
	2022	2021
Total liabilities	\$ 1,796,538	\$ 1,763,490
Total assets	\$ 7,330,669	\$ 7,033,163
Rate of liabilities	25%	25%

The ratio on December 31, 2022 was equivalent to the ratio on December 31, 2021, and there has been no significant change.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	Short-term loans
Balance at January 1, 2021	\$ 680,000
Financing Cash Flow :	
Increase Short-term loans	2,520,000
Repayment of short-term loans	(2,380,000)
Balance at December 31, 2021	820,000
Financing Cash Flow :	
Increase short-term loans	3,060,000
Repayment of short-term loans	(3,030,000)
Balance at December 31 , 2022	<u>\$ 850,000</u>

VII. Related Party Transactions

(I) Name of related parties and relationship with the related parties

Name of related party	Relationship with the Company
The World Champion Co., Ltd.	Subsidiaries of the Company for using the equity method
Summit Industrial Co., Ltd.	Subsidiaries of the Company for using the equity method

(next)

(continued)

Saigon Ve Wong Co., Ltd.	Subsidiaries of the Company for using the equity method
Thai Fermentation Industry Co., Ltd.	Subsidiaries of the Company for using the equity method
Tai Ve Corporation	Subsidiaries of the Company for using the equity method
Best Founder Corporation	Subsidiaries of the Company for using the equity method
Green TFL Co., Ltd.	Subsidiaries of the Company for using the equity method
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method
Koh Kong Sugar Industry Co., Ltd.	Associates of the Company for using the equity method, in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022.
Koh Kong Plantation Co., Ltd.	Associates of Best Founder Corporation for using the equity method, in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022.

(II) Significant transactions with related parties

1. Purchases

(1) The transaction amount is less than \$100,000 :

Name of related party	For the years ended December 31,			
	2022		2021	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
The World Champion Co., Ltd.	\$ 46,999	3	\$ 54,148	4
Green TFL Co., Ltd.	1,199	-	989	-
Total	\$ 48,198	3	\$ 55,137	4

Purchase price : The World Champion Co., Ltd. and Green TFL Co., Ltd., both parties decide according to market price.

Payment terms : The payment period of The World Champion Co., Ltd. is determined in accordance with the Company's payment policy . The payment period of Green TFL Co., Ltd. is 60 days after the purchase, no major difference from general transactions.

(2) The transaction amount is more than \$100,000 :

Name of related party	For the years ended December 31,			
	2022		2021	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
Summit Industrial Co., Ltd.	\$ 125,401	9	\$ 125,390	10
Thai Fermentation Industry Co., Ltd.	208,153	15	112,878	9
Total	\$ 333,554	24	\$ 238,268	19

Purchase price : The price purchased from Thai Fermentation Industry Co., Ltd. is calculated based on the purchase cost of Thai Fermentation Industry Co., Ltd. plus packaging costs, The price purchased from Summit Industrial Co., Ltd. is determined based on market prices.

Payment terms : The payment period of Summit Industrial Co., Ltd. is 60 days after the purchase, no major difference from general transactions. Thai Fermentation Industry Co., Ltd. pays by T/T.

## 2. Sales

(1) The transaction amount is less than \$100,000 :

Name of related party	For the years ended December 31,			
	2022		2021	
	Amount	Percent of net revenue %	Amount	Percent of net revenue %
Saigon Ve Wong Co., Ltd.	\$ 478	-	\$ 539	-
Summit Industrial Co., Ltd.	231	-	340	-
Green TFL Co., Ltd.	2,123	-	3,590	-
Thai Fermentation Industry Co., Ltd.	6,674	-	4	-
合計	\$ 9,506	-	\$ 4,473	-

Sale price : In principle, both parties decide according to market price.

Collection terms : The collection period is determined in accordance with the Company's collection policy, and there is no major difference from general transactions.

(2) The transaction amount is more than \$100,000 : none.

3. As the years ended December 31, 2022 and 2021, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2022	2021
PT Ve Wong Budi Indonesia	Overdue receivables	\$ 139,293	\$ 139,293
	Less: allowance for impairment loss	(139,293)	(139,293)
	Net	\$ -	\$ -

4. As the years ended December 31, 2022 and 2021, the Company's endorsements and guarantees providing for related party is as follows :

Name of related party	As at December 31,	
	2022	2021
Summit Industrial Co., Ltd.	\$ 50,000	\$ 50,000
Koh Kong Plantation Co., Ltd.	-	132,624
Koh Kong Sugar Industry Co., Ltd.	-	226,566
Total	\$ 50,000	\$ 409,190

## 5. Significant financial assets and liabilities with related parties

Items	Name of related party	As at December 31,			
		2022		2021	
		Amount	%	Amount	%
Accounts receivables	Green TFL Co., Ltd.	\$ 1,356	-	\$ 622	-
	Summit Industrial Co., Ltd.	5	-	97	-
	Saigon Ve Wong Co., Ltd.	150	-	129	-
	Saigon Ve Wong Co., Ltd.	10,363	66	14,874	94
Other receivables-related parties	Summit Industrial Co., Ltd.	1,204	7	904	6
	Tai Ve Corporation	4,200	27	-	-
	Green TFL Co., Ltd.	12	-	12	-
	PT Ve Wong Budi Indonesia	170,803	-	170,803	-
Less: allowance for impairment loss	PT Ve Wong Budi Indonesia	(170,803)	-	(170,803)	-
Notes and accounts payable	Summit Industrial Co., Ltd.	29,504	12	19,204	8
	The World Champion Co., Ltd.	14,493	6	21,252	9

(next)

(continued)

Other payables	Green TFL Co., Ltd.	351	-	173	-
	The World Champion Co., Ltd.	192	-	172	-
	Summit Industrial Co., Ltd.	109	-	64	-
	Green TFL Co., Ltd.	280	-	189	-

#### 6. Others

Name of related party	Items	For the years ended December 31,	
		2022	2021
Saigon Ve Wong Co., Ltd.	Royalty income	\$ 8,298	\$ 6,712
Thai Fermentation Industry Co., Ltd.	Director's remuneration	21,595	22,823
Tai Ve Corporation	Other gains	4,000	4,000
Green TFL Co., Ltd.	Other gains	70	95
Summit Industrial Co., Ltd.	Operating expenses reduction	24	24
Summit Industrial Co., Ltd.	Operating expenses	28	-
The World Champion Co., Ltd.	Operating expenses	1,187	1,097

#### 7. Lease

Name of related party	Items	For the years ended December 31,	
		2022	2021
Summit Industrial Co., Ltd.	Rental income	\$ 3,429	\$ 3,429
Green TFL Co., Ltd.		967	360
Tai Ve Corporation	Rental expense	-(note)	-(note)

The rents listed above were determined by both parties to the lease in consideration of the general rent level, and the rent collection (payment) is based on monthly collection (payment).

Note: The lease agreement between the Company and Tai Ve Corporation is as follows:

Items	As at December 31,	
	2022	2021
Right-of-use assets-cost	\$ 44,677	\$ 44,677
Lease liabilities	\$ 9,136	\$ 18,171

	For the years ended December 31,	
	2022	2021
Interest on leases liabilities	\$ 157	\$ 258

#### 8. Endorsement / guarantee

As the years ended December 31, 2022 and 2021, the immovable property from the Company transferred to Tai Ve Corporation (including its investments properties), which continued to be provided to the Company as loans from financial institutions and purchases. The details of the collateral of the performance bond are as follows:

Pledged assets	Detail	Book value	
		As at December 31,	
		2022	2021
Investments properties	Land and building	\$ 1,922,399	\$ 1,923,496

As the years ended December 31, 2022 and 2021, guaranteed amount of the above collateral was \$1,650,400.



#### 9. Compensation of key management personnel

Remuneration of key management personnel of the Company includes the following:

	For the years ended December 31,	
	2022	2021
Short-term employee benefits(note)	\$ 30,963	\$ 25,653

Note: Short-term employee benefits include salary, bonus and employee compensation, etc.

The remuneration of directors and key management personnel is determined by the remuneration committee.

#### VIII. Pledged Assets

The following assets have been provided as collateral for borrowings and performance guarantees :

Pledged assets	Detail	As at December 31,	
		2022	2021
Property, plant and equipment	Land and building	\$ 576,720	\$ 573,541
Investments properties	Land and building	110,029	110,029
Total		\$ 686,749	\$ 683,570

#### IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2022 and 2021, the Company contingent liabilities and unrecognized commitments is as follows :

1. The unused letters of credit amount to USD\$857,000 and USD\$45,000, respectively.
2. Endorsements and guarantees providing to others was \$0 and \$359,190, respectively.
3. The deposit guarantee note of the letter of credit and the purchase was \$183,000; The deposit guarantee notes received was \$90,789 and \$61,096, respectively.

X. Significant Disaster Loss: None

XI. Significant Subsequent Events: None

#### XII. Others

(I) Ting Hsin Oil Co., Ltd. sued and requested the Company to pay \$2,144 for the goods. The case is being heard by the Taiwan Taipei District Court. The Company filed a counterclaim during the trial procedure and requested Ting Hsin Oil Co., Ltd. The Company caused damages of \$9,420 due to problematic lard. After the case was heard by the Taiwan Taipei District Court, this lawsuit ruled that the Company lost the lawsuit, and the counterclaim was rejected with an illegal requirement. The Company was dissatisfied and filed a second-instance appeal and a counter-accusation respectively. After the Taiwan High Court heard the case, it found that the counter-accusation had reason to rule to abolish the original ruling and remanded it to the original trial. The Taiwan Taipei District Court of the original trial is in the process of hearing with Appeal Gengyi Yi Zih No. 1. in 2019 As for the appeal of the request for payment, the Company was ruled to lose the lawsuit. The Company filed a third-instance appeal against the request for payment. The Supreme Court partially abandoned it with Taishang Zi No. 1172 in 2020 and sent it back to the High Court of Taiwan, which was then approved by both parties. The parties agreed to stop the litigation and wait for the decision of the Taipei District Court with Appeal Gengyi Yi Zih No. 141. in 2019. After mediation by the court in 2022, the two companies reached a settlement with Ting Hsin Oil Co., Ltd. to pay the Company 5,500. After deducting the payment, Ting Hsin Oil Co., Ltd. paid the Company 3,356 on December 9, 2022. (the Company's relatively recognized income, listed under other income), both parties abandoned the ownership of this lawsuit and counterclaim and withdrew the lawsuit.

(II) The Company's Taoyuan business office in 2020 Mr. Xu, a salesperson involved in the embezzlement of about 1.26 million, and the Company filed a criminal complaint with the Taiwan Taoyuan District Prosecutors Office for business embezzlement. After being investigated by the

prosecutor, he was prosecuted with 110 Tiaozhen Zi No. 200, and the Taoyuan District Court tried it with 111 trial case No. 866. As of the date of the inspection report, the case is still under trial. The Company has set aside a 100% allowance for losses, and have applied to the insurance company for employee integrity insurance, which has no significant impact on the Company's 2022 financial statements. The above litigation cases are still to be judged by the judiciary. The relevant results will depend on the judgment of the court. The above will only be disclosed in accordance with the principle of publicity.

### XIII. Additional Disclosures

#### (I) Information on Significant Transactions :

1. Financing provided to others for the year ended December 31, 2022: Please refer to Table I.
2. Endorsements/Guarantees Providing for the year ended December 31, 2022 : Please refer to Table II.
3. Marketable securities held (excluding the equity held by invested subsidiaries, associates and joint ventures) for the year ended December 31, 2022 : Please refer to Table III.
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022 : None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2022 : Please refer to Table IV.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capita for the year ended December 31, 2022 : Please refer to Table V.
9. Trading in derivative instruments for the year ended December 31, 2022 : None.

#### (II) Information on Investees :

1. Information on investees (excluding investments in mainland chian) for the year ended December 31, 2022 : Please refer to Table VI.
2. Information about invested business :
  - (1) Financing provided to others in 2022 : Please refer to Table VII.
  - (2) Endorsements/Guarantees Providing in 2022 : Please refer to Table VIII.
  - (3) Marketable securities held (excluding the equity held by invested subsidiaries, associates and joint ventures) for the year ended December 31, 2022: Please see TABLE IX attached.
  - (4) The amount of the accumulated purchase or sale of the same securities is over NT\$300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
  - (5) Purchase amount of real property that exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
  - (6) Amount for the disposal of real property exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
  - (7) Amount of the purchase from and the sale to related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
  - (8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022: None.
  - (9) Engaging in derivative transactions for the year ended December 31, 2022: None.

(III) Information about the investment in China: None.

(IV) Major Shareholders Information: Please refer to Table X.

### XIV. Operating Segments Information

Please refer to the year 2022 consolidated financial statements.

**TABLE I****VE WONG CORPORATION****FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow(not e)	Aggregate Financing Limits(note)
													Item	Value		
0	VE WONG CORPORATION	Tai Ve Corporation	Other current assets-other	Y	\$ 300,000	\$ 300,000	\$ -	1.90%	short-term financing is necessary	-	operating turnover	\$ -	-	-	\$ 366,533	\$ 1,466,134
0	VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	139,293	139,293	139,293	-	Plant and operation needs	-	-	139,293	12,000 shares of PT Ve Wong Budi Indonesia	-	366,533	1,466,134
						\$ 439,293										

Note : According to the operating procedures of the company's capital loan to others, the company's capital loan to a single enterprise shall not exceed 5% of the company's total assets, and the company's capital loan to others shall not exceed 20% of the company's total assets. For subsidiaries of the company, where short-term financing is necessary due to operating turnover, the cumulative balance of financing must not exceed 40% of the company's net worth.

**TABLE II****VE WONG CORPORATION****ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement / Guarantee Given on Behalf of Each Party (Note1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	Ve Wong Corporatio n	Summit Industrial Co., Ltd.	The Corporation owns directly over 50% ownership of the investee company.	\$1,466,134	\$ 50,000	\$ 50,000	\$ 43,000	\$ -	1%	\$ 2,199,201	Y	-	-
0	Ve Wong Corporatio n	Koh Kong Plantation Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note3 and Note4)	1,466,134	142,440	-	-	-	3%	2,199,201	-	-	-
0	Ve Wong Corporatio n	Koh Kong Sugar Industry Co., Ltd.	Shareholder of the investee provides endorsements/guarantees to the company in proportion to their shareholding percentages (Note4)	1,466,134	243,335	-	-	-	4%	2,199,201	-	-	-
		Total				\$ 50,000	\$ 43,000	\$ -					

Note1 : According to The company's endorsement and guarantee measures, the amount of endorsement, guarantee for a single company shall not exceed 20% of The company's total assets.

Note2 : According to The company's endorsement and guarantee measures, the amount of endorsement and guarantee shall not exceed 30% of The company's total assets.

Note3 : In order to comply with Cambodian laws and regulations, The company has adjusted the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII).

Note4 : This endorsement was released on July 18, 2022. Please refer to Note VI(XXIV) Gain on disposal of non-current assets held for sale.

**TABLE III****VE WONG CORPORATION****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
VE WONG CORPORATION	<u>Listed stocks</u>							
	CATHAY FINANCIAL HOLDING CO., LTD.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	963	\$ 38,517	0.007%	\$ 38,517	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,570	-	2,570	
	Taishin Financial Holding Co., Ltd.	-	"	2,468	37,269	0.021%	37,269	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	2,060	-	2,060	
	Vedan International (Holdings) Co.,Ltd.	-	"	1,992	4,317	0.131%	4,317	
	Total				\$ 84,733		\$ 84,733	
	<u>Unlisted stocks</u>							
	Li Shih venture capital Co.,Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss- non-current	677	\$ 7,660	5.68%	\$ 7,660	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	14,906	4.32%	14,906	
	Jhong Sin investment Co.,Ltd.	-	"	1,043	29,506	0.33%	29,506	
	Total				\$ 52,072		\$ 52,072	
	<u>Unlisted stocks</u>							
	Wei Da Dian Ltd.	-	Financial assets measured at fair values through profit or loss- non-current	2	\$ -	0.18%	\$ -	
	Jhong Hua trade development Co., Ltd.	-	"	31	-	0.05%	-	
	Total				\$ -		\$ -	

**TABLE IV****VE WONG CORPORATION**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022**  
**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remarks
			Purchases/Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
VE WONG CORPORATION	Summit Industrial Co., Ltd.	Subsidiary	Purchase	\$ 125,401	2%	Accordance with the Company's policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	\$29,503	12%	
VE WONG CORPORATION	Thai Fermentation Industry Co., Ltd.	Subsidiary	Purchase	208,153	3%	Accordance with the Company's policy on credit management	The price purchased is determined based on the purchase cost of Thai Fermentation Industry Co., Ltd. plus packaging costs	Payment by T/T	-	-	

**TABLE V****VE WONG CORPORATION****RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Impairment Loss	Remarks
					Amount	Actions Taken			
VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Associated Companies	Other non-current assets - other receivables (Include Interest receivable \$165,798 and Advance payment \$5,005) \$ 310,096	-	-	-	Note	\$ 310,096	

Note : Please refer to Note IV (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.

**TABLE VI-1****VE WONG CORPORATION****INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2022	December 31, 2021	Thousand shares	%	Carrying Amount			
VE WONG CORPORATION	The World Champion Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and sales of MSG, cans and beverages	\$ 138,443	\$ 138,443	15,999	99.99%	\$ 574,692	\$ 8,791	\$ 5,957	
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Manufacturing and trading of packaging materials and containers printing MSG, instant noodles	89,843	89,843	9,505	95.05%	108,848	1,146	1,247	
	Saigon Ve Wong Co., Ltd.	1707 Highway 1A An Phu Dong Ward District 12, Ho Chi Minh City, Vietnam	MSG, instant noodles	475,328	475,328	-	100.00%	785,757	112,712	112,712	
	Thai Fermentation Industry Co., Ltd.	20 <sup>th</sup> Fl.KSL Tower, 503, Sriyudhya Rd., Bangkok, Thailand	Manufacturing and sales of MSG	233,090	233,090	204	48.66%	958,869	502,449	249,145	
	Ve Wong International Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia,Samoa	General Investment Company	1,741	1,741	50	100.00%	7,579	357	357	
	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc.	987,678	987,678	82,323	79.93%	1,619,649	(1,072 )	(956 )	
	Best Founder Corporation.	Vistra Corporate Services Centre, Ground Floor NPF Building,Beach Road,Apia,Samoa	General Investment Company	169,198	169,198	5,328	100.00%	807	34,646	34,646	Note1
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Bean processed food manufacturing	26,000	26,000	2,600	65.00%	24,816	(219 )	(143 )	
	Koh Kong Sugar Industry Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Production, processing and sales of cane sugar	-	226,231	-	-	-	(7,905 )	(947 )	Note2
Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Biotechnology Service Industry	24,144	20,250	1,514	33.65%	3,225	(8,857 )	(3,013 )		
PT Ve Wong Budi Indonesia	Wisma Budi, Lt. 7 Suite 701, J1. H.R. Rasuna Said, Kav C-6 Jakarta, Indonesia	Manufacturing and sales of MSG	180,811	180,811	64	49.00%	-	-	-	Note3	
Total								\$ 4,084,242		\$ 399,005	

Note1 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method. Please refer to Note VI (VIII) for the explanation.

Note2: Associated company Koh Kong Sugar Industry Co., Ltd. in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022. Please refer to Note VI (XXIV).

Note3 : Please refer to Note VI (VIII) " PT Ve Wong Budi Indonesia Disclosures and Related Explanations" under the investment using the equity method.



**TABLE VI-2****VE WONG CORPORATION****INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2022	December 31, 2021	Thousand shares	%	Carrying Amount			
The World Champion Co., Ltd.	Tai Ve Corporation	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei	Residential, building, industrial plant development, lease and sale, real estate sales, lease, etc. Manufacturing and trading of packaging materials and containers printing Bean processed food manufacturing	\$ 397,959	\$ 397,959	20,666	20.07%	\$ 406,533	\$ (1,072)	\$ (217)	
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		4,950	4,950	495	4.95%	5,686	1,146	57	
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		2,000	2,000	200	5.00%	1,909	(219)	(11)	
	Total			\$ 404,909	\$ 404,909			\$ 414,128	\$ (145)	\$ (171)	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management	\$ 486	\$ 486	0.5	50.00%	\$ 3,682	\$ (507)	\$ (253)	Note3
	TFI Green Biotech Company Limited..	Thailand	Classification of organic fertilizers	4,576	4,576	50	50.00%	15,559	8,488	4,244	
	Champion Fermentation Co.,Ltd.	Thailand	Manufacturing and sales of MSG	236,289	236,289	199,995	99.99%	263,795	11,719	7,246	
	Total		\$ 241,351	\$ 241,351			\$ 283,036	\$ 19,700	\$ 11,237		
Best Founder Corporation	Koh Kong Plantation Co., Ltd.	No.205-207-209 Mao Tong Boulevard. Toul Svay Prey I, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia	Land development and sugarcane planting	\$ -	\$ 82,580	-	-	\$ -	\$ (4,406)	\$ (917)	Note 1 Note 2

Note 1 : In order to comply with Cambodian laws and regulations, the company has made adjustments to the investment organization of Cambodia's investments under the equity method.

Please refer to Note VI (VIII) for the explanation.

Note 2 : Associated company Koh Kong Plantation Co., Ltd. in the second quarter of 2022, it was transferred to non-current assets held for sale, and all shares were sold in the third quarter of 2022. Please refer to Note VI (XXIV).

Note 3 : For organizational reorganization in the third quarter of 2016, please refer to Note VI (VIII) for the explanation.

**TABLE VII****VE WONG CORPORATION**
**Information about invested business:  
 FINANCING PROVIDED TO OTHERS  
 FOR THE YEAR ENDED DECEMBER 31, 2022  
 (In Thousands of New Taiwan Dollars)**

No	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrow	Aggregate Financing Limits(note1)	Remarks
													Item	Value			
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Lo., Ltd.	other current assets	N	\$ 5,036	\$ 5,036	\$ 139	7%	Company that needs short-term financing	-	Operating capital	-	-	-	\$ 200,416	\$ 1,002,080	
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivables-related parties	Y	80,000	80,000	-	1.90%	Company that needs short-term financing	-	Operating capital	-	-	-	143,455	573,821	Note2

Note1 : According to the operating procedures of domestic reinvestment companies for loan to others, the total amount of funds loaned to others shall not exceed 20% of the total assets of the company, and the financing amount for a single enterprise shall not exceed 5% of the total assets of the company. However, if the company's parent company, subsidiaries, and all subsidiaries of the parent company are necessary for short-term financing due to operating turnover, the cumulative balance of the financing amount shall not exceed 40% of the company's net worth. According to the operating procedures of overseas reinvestment company - Thai Fermentation Industry Co., Ltd., the total amount of funds loaned to others shall not exceed 50% of the company's net worth, and the amount of financing for a single enterprise shall not exceed 10% of the company's net worth.

Note2 : The ending balance of Tai Ve Corporation's fund loan to others was the fund loan and quota approved by the board of directors.

**TABLE VIII****VE WONG CORPORATION****Information about invested business:  
ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement / Guarantee Given on Behalf of Each Party (Note1、3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement / Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement / Guarantee Limit (Note2、3)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement / Guarantee Given on Behalf of Companies in Mainland China	Remarks
		Name	Relationship											
1	Tai Ve Corporation	Ve Wong Corporation	The company direct and indirect owns over 50% ownership of the investee company	\$2,869,104	\$1,650,400	\$1,650,400	\$300,000	\$1,922,399	30%	\$2,869,104	-	Y	-	
2	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	573,821	141,900	141,900	-	191,786	3%	860,731	-	-	-	
		Total				\$ 1,792,300								

Note1 : According to the company's endorsement and guarantee measures, the amount of the endorsement, guarantee for a single company shall not exceed 20% of the company's total assets.

Note2 : According to the company's endorsement and guarantee measures, the amount of the endorsement, guarantee shall not exceed 30% of the company's total assets.

Note3 : According to the regulations of the domestic reinvestment company's endorsement, guarantee, the parent company that holds 100% of the direct and indirect voting shares of the reinvestment company shall not exceed the total assets of the reinvestment company.

According to the regulations on endorsement, guarantee of the foreign investment company Thai Fermentation Industry Co., Ltd., the amount of endorsement, guarantee for a single enterprise shall not exceed 20% of the company's total assets, and the total amount of endorsement, guarantee shall not exceed 30% of the company's total assets.

**TABLE IX****VE WONG CORPORATION**

**Information about invested business:  
MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)  
FOR THE YEAR ENDED DECEMBER 31, 2022  
(In Thousands of New Taiwan Dollars)**

Company Name	Type and Name of Marketable Securities	Relationship with the security issuer	Ledger account	Yearend				Remarks
				Number of thousand shares (Number of thousand unit)	Book value	Percentage held	Fair value	
The World Champion Co., Ltd.	<u>Listed stocks</u> Taishin Financial Holding Co., Ltd.	-	Financial assets measured at fair values through other comprehensive profit or loss-non-current	7,501	\$ 113,270	0.06%	\$ 113,270	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,259	-	6,259	
	VE WONG CORPORATION	The company	"	2,294	80,056	0.96%	80,056	
	<u>Unlisted stocks</u> Jhong Hua trade development Co., Ltd.	-	Financial assets measured at fair values through profit or loss-non-current	11	\$ -	0.02%	\$ -	
	<b>Total</b>				<b>\$ 199,576</b>		<b>\$ 199,576</b>	
Saigon Ve Wong Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 265,313		\$ 265,313	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -current assets		\$ 43,670		\$ 43,670	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets		\$ 51,653		\$ 51,653	
Champion Fermentation Co.,Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 44		\$ 44	

**TABLE X****VE WONG CORPORATION****Major Shareholders Information**

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Major Shareholders	Shareholding	
	Number of Shares Held	Number of Shares Held
HAO SHINE TRADING CO., LTD.	23,609,447	9.83 %
Quanwei Investment Co., Ltd.	23,424,026	9.76 %
OVERSEAS BROS. CO., LTD.	22,784,966	9.49 %
You-Shan investment Co., Ltd.	15,345,458	6.39 %
VEDAN ENTERPRISE CORP.	14,537,628	6.05 %



**6. Financial difficulties encountered by the Company and/or its affiliates in the recent year and as of the publication date of the annual report, and its impact on the Company's financial status**

N/A



## VII. Review and Analysis of Financial Conditions, Operation Results and Risk Managements

### I. Analysis of Financial Status

#### 1. Analysis of Consolidated Financial Status

Unit: NT\$ thousand

Item	Year	2022	2021	Discretion	
				Amount	%
Current Asset		4,802,641	4,494,013	308,628	6.87
Long-term investment		330,453	454,500	(124,047)	(27.29)
Property, Plant and Equipment		4,746,835	4,486,109	260,726	5.81
Other Assets		121,037	148,117	(27,080)	(18.28)
Total Asset		10,000,966	9,582,739	418,227	4.36
Current Liabilities		1,975,880	1,877,179	98,701	5.26
Non-Current Liabilities		1,449,507	1,454,140	(4,633)	(0.32)
Total Liabilities		3,425,387	3,331,319	94,068	2.82
Capital Stock		2,400,000	2,400,000	-	-
Capital Surplus		43,493	208,337	(164,844)	(79.12)
Retained Earnings		3,037,094	2,664,448	372,646	13.99
Other Equities		92,008	35,352	56,656	160.26
Treasure Stock		(38,464)	(38,464)	-	-
Non-Controlling Interest		1,041,448	981,747	59,701	6.08
Total Equities		6,575,579	6,251,420	324,159	5.19
<p>Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:</p> <ol style="list-style-type: none"> <li>1. The decrease in long-term investment was mainly due to the sale of related companies Cambodia Guoguang Sugar Industry Co., Ltd. and Cambodia Guoguang Agriculture Industry Co., Ltd.</li> <li>2. The decrease in capital reserve was mainly due to the write-off of changes in the net equity value of related companies recognized using the equity method due to the sale of related companies.</li> <li>3. The increase in other interests is mainly due to the increase in the exchange difference (interest) in the translation of the financial statements of foreign operating institutions.</li> </ol>					



## 2. Analysis of Standalone Financial Status

Unit: NT\$ thousand

Item	Year	2022	2021	Discretion	
				Amount	%
Current Asset		1,679,101	1,616,300	62,801	3.89
Long-term investment		4,221,047	4,140,509	80,538	1.95
Property, Plant and Equipment		1,380,739	1,211,313	169,426	13.99
Other Assets		49,782	65,041	(15,259)	(23.46)
<b>Total Asset</b>		<b>7,330,669</b>	<b>7,033,163</b>	<b>297,506</b>	<b>4.23</b>
Current Liabilities		1,275,538	1,227,735	47,803	3.89
Non-Current Liabilities		521,000	535,755	(14,755)	(2.75)
Total Liabilities		1,796,538	1,763,490	33,048	1.87
<b>Total Liabilities</b>		<b>2,400,000</b>	<b>2,400,000</b>	<b>-</b>	<b>-</b>
Capital Surplus		43,493	208,337	(164,844)	(79.12)
Retained Earnings		3,037,094	2,664,448	372,646	13.99
Other Equities		92,008	35,352	56,656	160.26
Treasure Stock		(38,464)	(38,464)	-	-
<b>Total Equities</b>		<b>5,534,131</b>	<b>5,269,673</b>	<b>264,458</b>	<b>5.02</b>
<p>Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:</p> <ol style="list-style-type: none"> <li>1. The decrease in other assets was mainly due to the decrease in deferred income tax assets.</li> <li>2. The decrease in capital reserve was mainly due to the write-off of changes in the net equity value of related companies recognized using the equity method due to the sale of related companies.</li> <li>3. The increase in other interests is mainly due to the increase in the exchange difference (interest) in the translation of the financial statements of foreign operating institutions</li> </ol>					





## 2. Financial Performance

### 1. Analysis of Consolidated Financial Performance

Unit: NT\$ thousand

Item \ Year	2022	2021	Amount Increase (decrease)	Ratio (%)
Operating income	6,385,557	5,824,838	560,719	9.63
Operating cost	4,560,378	3,928,723	631,655	16.08
Gross profit	1,825,179	1,896,115	(70,936)	(3.74)
Operating expense	992,023	1,030,510	(38,487)	(3.73)
Profit from operations	833,156	865,605	(32,449)	(3.75)
Non-Operating Income and Expenses	287,869	51,591	236,278	457.98
Income Before Tax	1,121,025	917,196	203,829	22.22
Income tax expense	231,651	220,166	11,485	5.22
Net Profit	889,374	697,030	192,344	27.59
Other Consolidated Profit/Loss (Net Profit After Tax)	143,186	(208,437)	351,623	168.70
Total Comprehensive Income	1,032,560	488,593	543,967	111.33
Interest Attributable to Parent Company	625,396	447,878	177,518	39.64
Total Comprehensive Income to Parent Company	695,396	375,729	319,667	85.08

Note 1: Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) Increase in non-operating income and expenses: mainly due to the increase in interest from foreign currency exchange and the increase in interest from disposing of non-current assets to be sold.
- (2) Combining the above effects, the increase and change of net profit for this period compared with the previous year were 192,344 thousand and 27.59% respectively.
- (3) Increase in other comprehensive gains and losses: mainly due to the increase in exchange differences (benefits) in the translation of financial statements of foreign operating institutions.
- (4) The increase in the total comprehensive profit and loss for the current period: mainly due to the increase in net profit and other comprehensive profit and loss for the current period.

Note 2: The expected sales volume in the next year and its basis, and the company's expected sales volume to continue to grow or decline, the main influencing factors:

The food business department of the consolidated company expects that the sales volume and operating income in 2023 will remain roughly the same as the current year, with no major changes.



## 2. Analysis of Individual Financial Performance

Unit: NT\$ thousand

Item \ Year	2022	2021	Amount Increase (decrease)	Ratio (%)
Operating income	2,366,704	2,311,453	55,251	2.39
Operating cost	1,763,132	1,642,784	120,348	7.33
Gross profit	603,572	668,669	(65,097)	(9.74)
Operating expense	536,027	533,852	2,175	0.41
Profit from operations	67,545	134,817	(67,272)	(49.90)
Non-Operating Income and Expenses	629,100	385,164	243,936	63.33
Income Before Tax	696,645	519,981	176,664	33.98
Income tax expense	71,249	72,103	(854)	(1.18)
Net Profit	625,396	447,878	177,518	39.64
Other Consolidated Profit/Loss (Net Profit After Tax)	70,000	(72,149)	142,149	197.02
Total Comprehensive Income	695,396	375,729	319,667	85.08

Note 1. Description the changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) Decrease in operating profit: mainly due to increase in net operating costs.
- (2) Increase in non-operating income and expenses: mainly due to the increase in interest from foreign currency exchange and the increase in interest from disposing of non-current assets to be sold.
- (3) Combining the above effects, the net profit for the current period was increased and changed to NT\$ 177,518 thousand and 39.64% respectively from the previous period.
- (4) Increase in other comprehensive gains and losses: mainly due to the increase in exchange differences (benefits) in the translation of financial statements of foreign operating institutions.
- (5) The increase in the total comprehensive profit and loss for the current period: mainly due to the increase in net profit and other comprehensive profit and loss for the current period.

Note 2 The main influencing factors of the expected sales volume in the next year and its basis and the company's expected sales volume to continue to grow or decline:

The food business department of the consolidated company expects that the sales volume and operating income in the 2023 will remain roughly the same as the current year, with no major changes.



### 3. Cash Flow

#### Cash Flow Analysis

Unit: NT\$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
1,570,497	184,910	466,688	1,288,739	-	-

1. The analysis of cash flow variations this year:

- (1) Operating activities: The net cash inflow from operating activities was NT\$184,910 thousand, mainly from operating income.
- (2) Investing activities: Net cash outflow from investment activities was NT\$188,361 thousand, mainly due to the increase in real estate, plant, equipment and prepaid equipment.
- (3) Financing activities: The net cash outflow from financing activities was NT\$278,307 thousand (Including exchange rate impact), mainly due to the payment of cash dividends.

2. Improvement plan for inadequate currency: N/A

3. Cash flow analysis in the next coming year:

Unit: NT\$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
1,288,739	513,994	577,461	1,225,272	-	-



#### 4. The Effect upon Financial Operations of Any Major Capital Expenditures in the Most Recent Years

##### (1) Major Capital Expenditure Items and Source of Capital :

Unit : NT\$ thousand

Project Items	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Amount of Funds Needed	Actual or Expected Capital Expenditure						
				2021	2022	2023	2024	2025	2026	2027
– Soy sauce blending equipment of Fongtien plant	own	2023	180,000	30,166	45,161	104,673	-	-	-	-
– Instant noodle production equipment, automatic packaging equipment, and plant renovation of Fongtien plant	own	2023	280,000	5,628	118,456	155,916	-	-	-	-

##### (2) Expected Benefits

1. The Company's soy sauce equipment production capacity has reached saturation and some of the equipment is old. It is planned to upgrade the soy sauce production equipment in phases. The first phase is to invest in the construction of the pressing equipment and the plant, which has been completed in 2019 and will enter the second phase of deployment of equipment and construction of factory buildings in 2021.
2. Due to the fact that the sales volume and production volume of the Company's instant noodles have grown year by year, the old production capacity of some production equipment has reached saturation; for the needs of the Company's operation and future market expansion, the company invested at the end of 2021 to add an instant noodle production line and an automatic snack noodles packaging line and carry out relevant plant renovation works.



## 5. Reinvestment Policy in the Most Recent Years, the Main Reasons for the Profits/Losses Generated Thereby, the Plan for Improving Reinvestment Profitability, and investment plans for the Coming Year :

(1) Reinvestment policy for the most recent year:

The company's reinvestment is mainly based on related industries operated by the company, and the main policy is to increase revenue and profit.

(2) The main reason for the profit from the reinvestment:

The company's investment income recognized by the equity method in 2022 was NT\$399,005,000, which was mainly due to the good operating conditions of the overseas reinvestment company and the profit.

(3) Investment plan for the coming year:

Depending on future operating needs, prudently evaluate related industries with stable profits as investment targets.

## 6. Risks

### (1) The impact of interest rate, exchange rate changes, and inflation on the company's profit and loss and future countermeasures

The company focuses on conservative and prudent management of funds. In recent years, due to the prolonged economic downturn, the central bank has maintained low policy rates since 2009 to maintain financial and price stability. However, since March 2022, in order to curb inflation and sustain economic growth, the US Federal Reserve has raised its benchmark interest rate seven times. In Taiwan, prices have been rising, and inflation has become severe. As a result, the central bank has increased interest rates four times since the first quarter of 2022, with a total increase of 2.5 percentage points. These interest rate adjustments have increased our borrowing interest expenses for the fiscal year 2022. Additionally, our subsidiary adjusts its financing mix to meet operational needs through internal funds and bank borrowings. As most of the subsidiary's floating-rate net assets mature within one year, and current market rates are low, there is no significant risk of interest rate fluctuations expected. Sensitivity analysis regarding interest rate risk is determined based on the non-derivative financial instrument interest rate exposures as of the end of the reporting period. If interest rates were to increase/decrease by 1%, the subsidiary's net profit for the fiscal year 2022 would decrease/increase by NT\$8,280 million.

In terms of exchange rates, the New Taiwan Dollar (NTD) depreciated against the US Dollar in 2022, leading to higher prices for imported raw materials and commodities, resulting in increased costs for our company. The exchange gains or losses have had a slight impact on our overall profitability. Some of the subsidiary's operational activities and net investments in foreign operations are primarily conducted in foreign currencies, which expose us to foreign exchange risks. To mitigate the potential decrease in the value of foreign currency assets and fluctuations in future cash flows, the subsidiary uses short-term borrowings to hedge against exchange rate risks. While the use of these financial instruments helps to reduce the impact, it cannot completely eliminate the effects of foreign exchange rate fluctuations. Sensitivity analysis regarding foreign exchange rate risk is primarily based on monetary items denominated in foreign currencies as of the end of the reporting period. When the NTD appreciates/depreciates by 1% against the US Dollar, Thai Baht, and Vietnamese Dong, the



subsidiary's net profit for the fiscal year 2022 would increase/decrease by NT\$13,655 million.

The company will at all times pay close attention to the impact of interest rate and exchange rate changes and inflation on the company's profit and loss and promptly propose appropriate hedging measures.

**(2) Policies for engaging in high-risk, high-leverage investments, loaning funds to others, endorsements and guarantees, and derivative transactions, the main causes of profit or loss, and future countermeasures**

In addition to providing financing endorsements and guarantees to the subsidiary Summit Packing Industrial Co., Ltd., the company also provides financing endorsements and guarantees to its reinvestee Koh Kong Plantation Co., Ltd. and Koh Kong Sugar Industry Co., Ltd. in accordance with the joint investment relationship based on the shareholding ratio of all shareholders. The company's subsidiary Tai Ve Co., Ltd. provided land and buildings to guarantee the company's financing and the company's subsidiary The World Champion Co., Ltd., respectively.

The company loaned NT\$300 million to the subsidiary Tai Ve Co., Ltd. The company loaned US\$4.28 million to its reinvestee PT. Ve Wong Budi Indonesia; the company's investee company Thai Fermentation Industry Co., Ltd., loaned 5.767 million baht to Transportation Co..

In addition, the company does not engage in any high-risk, high-leverage investment or derivative transactions. Other than prudential assessment, regular reporting and control, the company has established "Procedures for Acquiring and Disposing of Assets," "Operating Procedures for Loaning Funds to Others," and "Operating Procedures for Endorsement Guarantees" to abide by.

**(3) R&D expenses for future R&D projects and investment amount.**

2023 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
<b>Instant noodles</b>	<p><b>1. Bags –</b> Continue to develop in 2023 – beef with tomato flavor, spicy miso flavor.</p> <p><b>2. Bowls (1100 c.c.) –</b> Continue to develop in 2023 – curry laksa flavor.</p> <p><b>3. Big Bowls(with retort pouch package) –</b> Continue to develop in 2023 – Including retort pouch : braised beef flavor, garlic pork flavor, spicy beef hot pot flavor, Italian tomato flavor, black pepper pork flavor, braised pork flavor, pickled mustard greens. Without retort pouch: Dried noodles of hot and spicy flavor, dried noodles of satay with shrimp flavor, hot and sour soup of shrimp flavor, dried noodles of takoyaki flavor, century egg with garlic flavor.</p> <p><b>4. Non fried noodles –</b> Classic spicy with sichuan pepper flavor (launched in May 2022), soybean paste with beef flavor (launched in May 2022), vegan- toona paste flavor, ( launched in May 2022). Product completion rate: 100% . Continue to develop in 2023 – green pepper with sesame paste flavor, chicken curry flavor (including retort pouch), Thai-style braised pork flavor (including retort pouch).</p> <p><b>5. Entrusted with other food companies for original design manufacturer (ODM) –</b></p>	None	December, 2023	Taste acceptability& Market trend	



2023 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	<p>Continue to develop in 2023 – GOFRESH ENTERPRISE CO., LTD. – seafood tonkotsu ramen flavor (Bowls/1100 c.c.), yuzu shio ramen flavor (Bowls/1100 c.c.), mapo tofu ramen flavor (Bowls/1100 c.c.). GREAT GIANT SUN CO., LTD. – whisky &amp; wine cooked chicken flavor (Bowls/1100 c.c.)(will be launched in September 2023), whisky &amp; pork chops in Chinese herbs flavor (Bowls/1100 c.c.) (will be launched in September 2023). Instant noodles – SAN GU MAO LU Restaurant, Veggienius Restaurant, HOWSLER FOODS CO., LTD., The Master International Catering Marketing Co., Ltd., DAJIA NOODLES ORIGIN CO., LTD.. Non-fried noodles - Veggienius Restaurant.</p> <p><b>6. Snack noodles –</b> Prince snack noodles – Basil with toona flavor (launched in May 2022), teriyaki chicken flavor (launched in May 2022), NENE CHICKEN-cheese flavor (launched in April 2022), spicy cheese flavor (launched in April 2022). CHARMING FOOD INTERNATIONAL MARKETING CO., LTD: Snack noodles co- branding (mass production in October 2022). Product completion rate: 100%. Continue to develop in 2023 – Prince snack noodles - sour cream with onion flavor, braised beef flavor, smoked pork flavor, spicy chicken flavor, spicy flavor, takoyaki flavor, Thai style hot and sour chicken flavor.</p> <p><b>7. Export –</b> Continue to develop in 2023 – Original Design Manufacture (ODM) (bags of instant noodles export to Panama) :Rika beef flavor (launched in April 2023), Rika shrimp flavor (launched in April 2023), Rika chicken flavor (launched in April 2023). Bags of instant noodles export to U.S.: chicken with rice wine flavor (will be launched in June 2023), spicy beef with mustard flavor (will be launched in June 2023), stewed ribs with Chinese herbs (will be launched in June 2023).</p>				
<p><b>Fast Foods/ Instant Soups</b></p>	<p><b>1. Fast foods –</b> Continue to develop in 2023 – milkfish fillet with curry. <b>2. Porridges –</b> Continue to develop in 2023 – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa, porridge with milkfish belly. <b>3. Retort pouch (combine noodles with it) –</b></p>	<p>None</p>	<p>December 2023</p>	<p>Taste acceptability&amp; Market trend</p>	



2023 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	<p>Continue to develop in 2023 – Big bowls of instant noodle: braised beef, braised pork chop, chili beef, garlic tonkotsu, pickled mustard green. Dried noodles: Italian tomato, black pepper pork.- Non-fried noodles: chicken curry.</p> <p><b>4. Large packages –</b> Continue to develop in 2023 – Milkfish belly with bamboo shoots.</p> <p><b>5. OEM Products –</b> Vedan Enterprise Corporation – Yipin beef (mass production in May 2022), Gipin braised beef (mass production in June 2022). Product completion rate: 100%. Continue to develop in 2023 – NIANG JIA – porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa.</p> <p><b>6. OEM Products (TFL)-</b> TFL products – TFL Pumpkin paste (launched in March 2022), TFL Soy paste in refrigeration (launched in November 2022). Product completion rate: 100%. Continue to develop in 2023 – TFL beverages – Soy drink with jujube and walnut (launched in March 2023), almond and brown rice plant-based drink for Leezen (910mL), walnut and brown rice plant-based drink for Leezen (910mL).</p> <p><b>7. Certification of products –</b> Clean label (launched in March 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa, pumpkin soup, sweet taro soup. Product completion rate: 100%. Eatender (launched in June 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa. Product completion rate: 100%. Continue to develop in 2023 – OEM Products: NIANG JIA – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa. Eatender : NIANG JIA - porridge with chicken and red quinoa, porridge with vegetables and red quinoa.</p>				
Soy sauce	<p><b>1. Non-genetically modified (Non-GMO) brewing soy sauce –</b> HOUSE WIFE soy sauce (Non-GMO 780mL)( launched in June 2022). Product completion rate: 100%. Continue to develop in 2023 – NIANG JIA Red mold rice soy sauce ( will be launched by June 2023), XO soy sauce – Shaoxing</p>	None	December, 2023	Taste acceptability& Market trend	





2023 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	flavor. <b>2.Non-GMO Thick soy sauce</b> — Continue to develop in 2023 — NIANG JIA Red mold rice thick soy sauce (will be launched in June 2023), Spicy thick soy sauce, Mala spicy thick soy sauce. <b>3.Non-GMO seasoning soy sauce</b> — Continue to develop in 2023 — All-purpose barbecue sauce, All-purpose barbecue sauce (Red mold rice flavor), Barbecue sauce (ginger flavor), Barbecue sauce (miso flavor). <b>4. Institutional packaging seasoning soy sauce</b> — Continue to develop in 2023 — Clean Label— PING ROUN seasoning soy sauce (No.B3 & No.B4 & No.Xin Ping 2 ) <b>5.Export</b> — Continue to develop in 2023 — Export for Large package— LKK soy sauce.				

**(4) Changes in important policies and the legal environment at home and abroad, and the effect on Company’s financial status and operation, and countermeasures:**

The management of the company always pays attention to important domestic and foreign policy and legal changes and seeks professional units to provide suggestions and plan corresponding measures (currently no significant impact).

**(5) The impact of technological and industrial changes on the Company's financial business and the countermeasures**

The Company has been operating the food manufacturing and marketing business for 63 years, the relevant production technology is mature, and the competitiveness of food depends on consumer taste acceptance and market development trends. At the same time, the Company has established a complete set of information security management mechanisms through years of efforts of colleagues in relevant units to ensure the Company's information security.

The Company evaluates the major changes in the system or changes in the operating environment at any time, and formulates appropriate countermeasures according to the risk situation and the reasons for the risk to ensure the stability of the relevant measures. The company has no major information security risks. Therefore, the recent annual technological changes have little impact on the Company's financial business. Therefore, technological changes in recent years have had relatively little impact on the Company's financial business.

**(6) The impact of the corporate image changes on corporate crisis management and the countermeasures.**

The company has always adhered to the business philosophy and corporate image of establishing "creation, responsibility, honor, unity" and fulfilling environmental responsibility.

**(7) The expected benefits and possible risks of merger or acquisition, and countermeasures: N/A**

**(8) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: N/A**



- (9) The risks from centralized purchasing or selling, and countermeasures: N/A**
- (10) Effect upon and risk to the Company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10% stake in the Company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: N/A**
- (11) Effect upon and risk to the company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: N/A**
- (12) Litigation or non-litigation event**
- The Ting Hsin Oil Co., Ltd. has filed a lawsuit against our company, requesting payment of a sum of NT\$2,144,077 for goods. The case is currently being heard in the Taipei District Court. During the trial process, our company filed a counterclaim against the Ting Hsin Oil Co., Ltd., seeking compensation of NT\$9,419,876 for damages caused by problematic lard. After the trial in the Taipei District Court, our company appealed and filed a protest. Following the review by the Taiwan High Court, it was deemed that the protest was justified, and the original ruling was overturned and sent back to the original trial. The original trial ruled in favor of Ting Hsin Oil Co., Ltd., ordering them to pay NT\$9,184,260 to Flavor King Company. Ting Hsin Oil Co., Ltd. appealed this ruling, and it is currently being reviewed by the Taiwan High Court under the case number 111 Chong Shang Zi No. 163. During the proceedings, the two parties reached a settlement through the mediation of the judge, with Ting Hsin Oil Co., Ltd. agreeing to pay the company NT\$5.5 million. Deducting the amount owed for the goods, Ting Hsin Oil Co., Ltd. has already paid the company NT\$3,355,923 on December 9, 2022. Both parties have waived all claims in the original lawsuit and counterclaim and have withdrawn the litigation.
  - In the fiscal year 2020, the Taoyuan branch encountered an incident involving the misappropriation of funds by a salesperson, Mr. Hsu, amounting to approximately NT\$1.26 million. Our company filed a criminal complaint, including charges of misappropriation, with the Taoyuan District Prosecutors' Office. After investigation by the prosecutor, a prosecution was initiated under the case number 110 Tiao Zhen Zi No. 200. The case is currently being heard in the Taoyuan District Court under the case number 111 Shen Su Zi No. 866. Our company has already fully reserved for the loss and has applied to the insurance company for coverage under the Employee Integrity Insurance policy.
- (13) Other important risks, and mitigation measures being or to be taken: N/A.**

**7. Other Important Matters: None.**

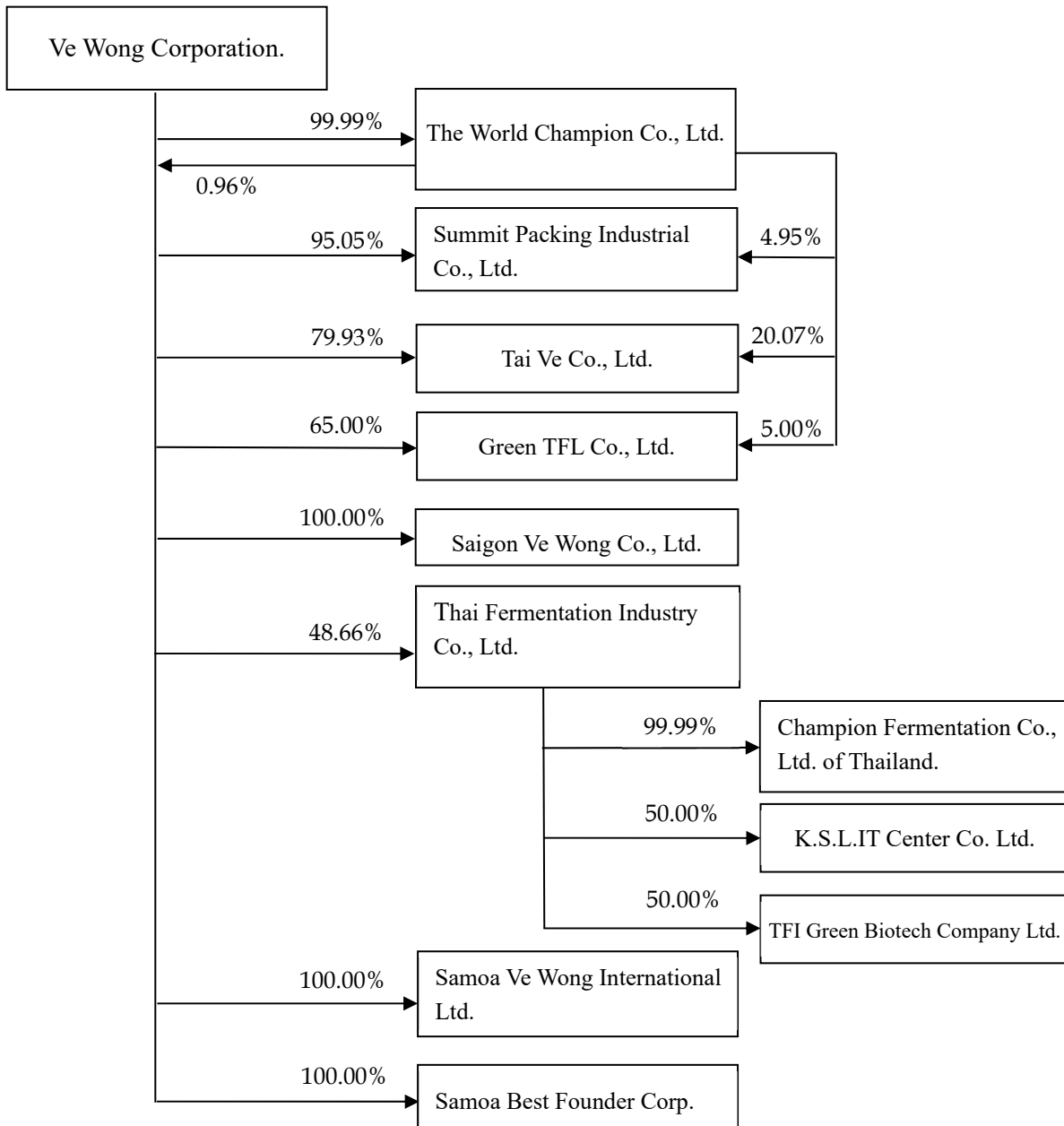


## VIII. Special Disclosure

### 1. Affiliated Companies

#### (1) Affiliates Consolidated Business Report

##### 1) Organizational chart of affiliations



The company is not under the presumption of control and subordination in Article 369-3 of the Company Law with other companies.

2) The basic information of affiliated companies

December 31, 2022 Unit: NT\$ thousand

Name of Company	Date of Incorporation	Address	Paid-in capital	Main business or production items
The World Champion Co., Ltd.	Aug. 09, 1973	7F, No.79, Sec 2, Zhongshan North Rd., Taipei City	160,000	Manufacturing and sales of MSG, canned food, and beverages
Summit Packing Industrial Co., Ltd.	Apr. 11, 1996	6F, No.79, Sec 2, Zhongshan North Rd., Taipei City	100,000	Printing, manufacturing, and trading of packaging materials and containers
Tai Ve Co., Ltd.	Nov. 17, 2003	6F, No.79, Sec 2, Zhongshan North Rd., Taipei City	1,029,888	Development, lease, and sale of factory buildings, mansions, real estate, etc.
Green TFL Co., Ltd.	Oct. 05, 2018	8F, No.79, Sec 2, Zhongshan North Rd., Taipei City	40,000	Bean processed food manufacturing
Saigon Ve Wong Co., Ltd.	Sep. 28, 1990	1707 Highway 1A, An Phu Dong Ward, District 12, Ho Chi Minh City, Vietnam	US\$ 16,710,000 (Year-end exchange rate : 30.665)	Manufacturing and sales of MSG and instant noodles
Saigon Ve Wong Co., Ltd.	Nov. 24, 1994	1707 Highway 1A, An Phu Dong Ward, District 12, Ho Chi Minh City, Vietnam	—	Same as above
Thai Fermentation Industry Co., Ltd.	Dec. 12, 1966	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 420,000,000 (Year-end exchange rate : : 0.8734)	Manufacturing and sales of MSG
Thai Fermentation Industry Co., Ltd.	Nov. 26, 1967	No. 15, Moo 17 SeangChuto Rd., 86 KM Tapha, Banpong, Rajburi (70100), Thailand	—	Same as above
Champion Fermentation Co., Ltd. of Thailand.	Mar. 06, 1989	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 200,000,000 (Year-end exchange rate : : 0.8141)	Manufacturing and sales of MSG
K.S.L. IT Center Co., Ltd.	Aug. 02, 2000	10th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 1,000,000 (Year-end exchange rate : : 0.8734)	Management of Technology Information
TFI Green Biotech Company Ltd.	June 06, 2002	20th Floor, KSL Tower, 503 Sriyudhya Rd., Phayathai, Rajtaevee, Bangkok 10400 Thailand	Thai Baht 10,000,000 (Year-end exchange rate : 0.8734)	Classification of organic fertilizers
Samoa Ve Wong International Ltd.	Sep. 18, 2002	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 50,000 (Year-end exchange rate : : 30.665)	Investment Company
Samoa Best Founder Corporation	Jul. 25, 2008	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	US\$ 5,328,046 (Year-end exchange rate : : 30.665)	Investment Company



3) Shareholders concluded as the existence of the controlling and subordinate company relation: None.

4) Industries covered by the businesses of all affiliated companies

● Industries covered by the businesses of all affiliated companies include:

- (1) Food manufacturing industry: MSG, instant noodles, beverages, soy sauce, sucrose, etc.
- (2) Manufacturing of packaging materials.
- (3) Others: Development and construction, lease and sale of plants, buildings and real estate, food import, and export, raw material cultivation, etc.

For details of the main business or production items of affiliated companies, please refer to 2. Basic information table of affiliated companies.

● The mutual business relationship between the Company and affiliated companies:

(1) Purchases from affiliated companies:

The World Champion Co., Ltd./ MSG, and canned peanut gluten.

Summit Packing Industrial Co., Ltd./ Food packaging materials.

Thai Fermentation Industry Co., Ltd. / MSG.

Green Total Food Liquefaction Co., Ltd. / TFL farm products

(2) Sales to affiliated companies

Saigon Ve Wong Co., Ltd.: Soy sauce, seasoning.

The World Champion Co., Ltd.: MSG, / Fast Foods

Green Total Food Liquefaction Co., Ltd.: Whole beans / whole food beverages



5) The profiles of Directors, Supervisors, and Chairman of affiliates.

December 31, 2022

Name of Company	Job title	Name or Representative	Shares	%
The World Champion Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	15,998,696	99.99%
	Director	Ve Wong Corporation. Representative / Kan, Chin-Yu	15,998,696	99.99%
	Supervisor	Du, Heng-Yi	—	—
	General Manager	Chen, Kung-Pin	—	—
Summit Packing Industrial Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Lai, Chee-Lee	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Chou, Hai-Kuo	9,505,000	95.05%
	Director	Ve Wong Corporation. Representative / Cheng, Xuan-Zhang	9,505,000	95.05%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	495,000	4.95%
Tai Ve Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Kan, Chin-Yu	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	82,323,152	79.93%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	82,323,152	79.93%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	20,665,604	20.07%
	General Manager	Chen, Kung-Pin	—	—
Green TFL Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Chen, Ching-Fu	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	2,600,000	65.00%
	Director	Ve Wong Corporation. Representative / Cheng, Xuan-Zhang	2,600,000	65.00%
	Director	Real Green Foods Corporation Representative / Cheng, Yi-Shen	1,200,000	30.00%
	Director	Real Green Foods Corporation Representative / Chang, Yi-Chong	1,200,000	30.00%
	Supervisor	The World Champion Co., Ltd. Representative / Du, Heng-Yi	200,000	5.00%
Saigon Ve Wong Co., Ltd.	Chairman	Ve Wong Corporation. Representative / Chen, Ching-Fu	—	100.00%
	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	—	100.00%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	—	100.00%
	Director	Ve Wong Corporation. Representative / Du, Heng-Yi	—	100.00%
	Director	Ve Wong Corporation. Representative / Chou, Hai-Kuo	—	100.00%
	Director	Ve Wong Corporation. Representative / Egawa Hirokazu	—	100.00%



Name of Company	Job title	Name or Representative	Shares	%
	Director	Ve Wong Corporation. Representative / Kan, Chin-Yu	—	100.00%
	General Manager	Chen, Ching-Fu	—	—
Thai Fermentation Industry Co., Ltd.	Chairman	Mr. Chamroon Chinthammit	8,153	1.94%
	Deputy Chairman	Ve Wong Corporation. Representative / Chen, Kung-Pin	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Chen, Ching-Fu	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Egawa Manwa	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Du, Heng-Yi	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Lee, Chi-Lung	204,390	48.66%
	Director	Ve Wong Corporation. Representative / Chou, Chih-Ming	204,390	48.66%
	Director	Mr. Chalee Chinthammit	720	0.17%
	Director	Mr. Somphob Chinthammit	4,600	1.10%
	Director	Mr. Sukhum Tokaranyaset	7,708	1.84%
	Director	Mr. Tawatchai Rojanachotikul	5,925	1.41%
	Director	Mr. Somchai Chinthammit	11,700	2.79%
	Director	Mrs. Intira Sukhanindr	1,200	0.29%
	General Manager	Lee, Chi-Lung	—	—
Champion Fermentation Co., Ltd. of Thailand.	Chairman	Thai Fermentation Industry Co., Ltd. Representative / Mr. Chamroon Chinthammit	199,995	99.99%
	Deputy Chairman	Thai Fermentation Industry Co., Ltd. Representative / Chen, Kung-Pin	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Chen, Ching-Fu	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Egawa Manwa	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Du, Heng-Yi	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Lee, Chi-Lung	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Chou, Chih-Ming	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Chalee Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Somphob Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Sukhum Tokaranyaset	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Tawatchai Rojanachotikul	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mr. Somchai Chinthammit	199,995	99.99%
	Director	Thai Fermentation Industry Co., Ltd. Representative / Mrs. Intira Sukhanindr	199,995	99.99%
General Manager	Lee, Chi-Lung	—	—	



Name of Company	Job title	Name or Representative	Shares	%
	General Manager	Mr. Kamondanai Chinthammit	10	0.10%
K.S.L. IT Center Co., Ltd.	Chairman	Mr. Somnuk Nakasakseewee	10	0.10%
	Director	Mrs. Phantipa Krathumthong	10	0.10%
TFI Green Biotech Company Ltd.	General Manager	Mr. Tanapong Tanasomboonkij	7,500	7.50%
	Chairman	Mr. Chalee Chinthammit	4,600	4.60%
	Director	Mr. Soonthorn Wanaukul	500	0.50%
Samoa Ve Wong International Ltd.	Director	Ve Wong Corporation. Representative / Chen, Kung-Pin	50,000	100.00%
Samoa Best Founder Corporation	Director	Ve Wong Corporation. Representative / Egawa Manwa	5,328,046	100.00%

6) Overview of affiliates operation:

December. 31, 2022 Unit: NT\$ thousand

Name of Company	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net income	EPS (after Tax)
The World Champion Co., Ltd.	160,000	660,275	4,350	655,925	65,237	1,206	8,791	0.55
Summit Packing Industrial Co., Ltd.	100,000	238,251	123,385	114,866	287,694	1,497	1,146	0.11
Tai Ve Co., Ltd.	1,029,888	2,869,104	843,126	2,025,978	65,851	7,426	(1,072)	(0.01)
Green TFL Co., Ltd.	40,000	43,690	5,512	38,178	10,329	(263)	(219)	(0.05)
Saigon Ve Wong Co., Ltd.	475,328	888,375	150,814	737,561	1,453,245	133,199	112,712	N/A
Thai Fermentation Industry Co., Ltd.	465,200	2,482,446	478,286	2,004,160	2,885,519	559,038	502,449	1,196
Champion Fermentation Co., Ltd. of Thailand.	181,623	369,323	99,116	270,207	872,675	16,449	11,719	58.60
K.S.L. IT Center Co., Ltd.	972	40,509	32,624	7,885	20,863	(507)	(507)	(50.70)
TFI Green Biotech Company Ltd.	9,152	35,740	5,894	29,846	31,513	8,488	8,488	84.88
Samoa Ve Wong International Ltd.	1,741	7,579	-	7,579	-	(70)	357	7.14
Samoa Best Founder Corporation	169,198	807	-	807	-	(66)	34,646	6.50

1. The total value of assets and total liabilities are converted at the exchange rate at the end of the year: US\$ 1=NT\$30.665 Thai Baht 1= NT\$0.8734 Vietnam 1 = NT\$0.0013097

2. The amount of profit and loss is converted at the average exchange rate of the year US\$ 1=NT\$29.860 Thai Baht 1= NT\$0.8498 Vietnam 1 = NT\$0.0012799

3. The amount of capital is converted at historical exchange rates.







## (2) Consolidated Financial Statements of Affiliates

### Declaration of Consolidated Financial Statements of Affiliated Enterprises

The entities that are required to be included in the combined financial statements of VE WONG CORPORATION as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, VE WONG CORPORATION and its Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

VE WONG CORPORATION

by



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Chen, Ching-Fu,  
Chairman

March 29, 2023

**(3) Affiliate Report: N/A**

**2. Private placement of securities over the past year and up to the date of publication of the annual report:** N/A

**3. Status of company stock held or disposed of by subsidiaries over the past year and up to the date of publication of the annual report:**

Unit: NT\$ thousand; Share; %

Name of Subsidiaries	Paid-in capital	Source of fund	The shareholding ratio of The Company	Date of acquisition or disposal	Shares & amount acquired	Shares & Amount disposal	Investment profit & loss	Shares & amounts of the publication date of the annual report	Equity pledged	Making of endorsement/guarantee for subsidiary by The Company	Loaning of the funds to subsidiary by The Company
The World Champion Co., Ltd.	160,000	-	99.99%	-	0	0	0	2,293,865 Shares \$38,665	None	0	0

**4. Other matters that require additional description:** N/A

**5. Any matters of material significance that could have affected shareholder equity or securities price last year and up to the date of publication of the annual report, pursuant to the regulation of article 36-3-2 of securities laws:** N/A





**味王股份有限公司**

Ve Wong Corporation

Chairman Chen, Ching-Fu



全國唯一全室內密閉式分段溫控發酵

# 純豆麥完釀

精選日本頂級種麴，純豆麥完釀，

醬液圓熟甘醇，色澤紅潤晶亮剔透，入味唇齒留香。

無論燴、滷、沾、煮，一入嘴就知道是頂級！

