



VE WONG<sup>®</sup>

味王股份有限公司  
VE WONG CORPORATION

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# 2023

## ANNUAL REPORT

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### **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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# Contents

<b>I. Letter to Shareholders .....</b>	<b>1</b>
<b>II. Company Profile</b>	
1. Date of Incorporation.....	6
2. Company History .....	6
<b>III. Corporate Governance Report</b>	
1. Organization.....	11
2. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units .....	14
3. Remuneration paid to directors, supervisors, general manager, and deputy general manager in the most recent year.....	28
4. Implementation of Corporate Governance .....	35
5. Information on CPA Professional Fees.....	80
6. Information About Replacement of CPA.....	81
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 .....	81
8. Assessment of CPA's independence .....	81
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.....	82
10. Top 10 shareholders and their relationships .....	83
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. ....	84
<b>IV. Capital Overview</b>	
1. Capital and Shares.....	85
2. Corporate Bonds .....	89
3. Preferred Shares .....	89
4. Global Depositary Receipts .....	89
5. Employee Stock Options.....	89
6. Status of New Shares Issuance in Connection with Mergers and Acquisitions.....	89
7. Financing Plans and Implementation.....	89
<b>V. Operational Highlights</b>	
1. Business Scopes .....	90



2. Market and Sales Overview .....	105
3. Employees .....	116
4. Environmental Protection Expenditure .....	117
5. Labor Relations .....	118
6. Cyber Security Management .....	119
7. Important Contracts .....	122
<b>VI. Financial Information</b>	
1. The Balance Sheet / Income Statement / CPAs' Name and audit opinion for the Last Five Fiscal Years .....	123
2. Financial analyses for the past five fiscal years .....	127
3. Audit Committee's Report .....	131
4. Consolidated Financial Statements for recent year, and Independent Auditors' Report .....	132
5. Standalone Financial Statements with Independent Auditors' Report for the most recent year .....	195
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 their impact on the Company's financial status .....	257
<b>VII. Review of Financial Conditions, Operating Results, and Risk Management</b>	
1. Analysis of Financial Status .....	258
2. Financial Performance .....	260
3. Cash flow .....	262
4. The Effect upon Financial Operations of Any Major Capital Expenditures in the Most Recent Years .....	263
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 .....	264
6. Risks .....	264
7. Other important matters .....	269
<b>VIII. Special Disclosure</b>	
1. Affiliated Companies .....	270
2. Private placement of securities over the past year and up to the date of publication of the annual report .....	277
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 .....	277
4. Other matters that require additional description .....	277
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 .....	277



# I. Letter to Shareholders

## 1. Preface

In the rapidly changing global political and economic landscape, the operational environment has become increasingly challenging, especially after the pandemic era. The Company must constantly monitor the rise and fall of industries, as relying solely on luck for business performance is not feasible. In the face of fierce market competition, the Company should plan ahead, stay current, and accelerate reforms to enhance the competitiveness and ensure steady and long-term development.

Sustainable development and longevity of a company depend on outstanding human resources, which drive the improvement and optimization of the Company's overall quality. Therefore, enhancing education and training becomes a critical task for the future. By improving the quality of human resources and nurturing corporate talent, the Company can build management teams with the ability to innovate and reform. These teams will be better equipped to understand industry trends, market strategies, consumer demands, and product development directions, enabling the Company to take more proactive measures in profit generation and maintaining a competitive edge in the market.

## 2. Business Performance Report for 2023

I would like to report the operating status of 2023 to all shareholders:

### 1. Performance

The consolidated total revenue for the 2023 amounted to NT\$ 6,403,713,000. The consolidated net profit after tax was NT\$657,718,000, with a net profit margin of 10%.

### 2. Main product sales

Unit: NT\$ thousand

Products Item	2023	2022	Increase (decrease)
Condiment	4,640,533	4,582,913	57,620
Instant Foods	1,452,357	1,491,649	(39,292)
others	310,823	310,995	(172)
Total	6,403,713	6,385,557	18,156

As the global COVID-19 pandemic eases, economic activities in various regions are gradually returning to normal. The Company's operating results for 2023 have been able to shake off the impact of the pandemic. Revenue from condiments continued to grow, reaching NT\$ 4.6 billion, accounting for more than 70% of total revenue. Although the convenience food market has shrunk due to the lifting of pandemic restrictions, the stay-at-home economy and dining culture created by the pandemic have expanded the market for Instant Foods, allowing us to remain highly optimistic about the prospects for this sector.

### 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 2023.

#### 4. Operation report

The Company's consolidated net operating revenue for the fiscal year 2023 totaled NT\$6,437,130,000. The cost of goods sold was NT\$4,537,602,000, and operating expenses were NT\$1,010,856,000. Non-operating income and expenses resulted in a net income of NT\$64,522,000. The profit before tax was NT\$919,777,000, with income tax expenses amounting to NT\$262,059,000. The net profit for this period was NT\$657,718,000.

#### 5. Financial Balance and Profitability Analysis

Unit: NT\$ thousand

Analytical Items		Years	2023	2022
Financial Balance	Net Operating Revenue		6,403,713	6,385,557
	Gross Profit		1,866,111	1,825,179
	Profit after Tax		657,718	889,374
Liquidity	Current ratio		242.34	243.06
	Quick ratio		153.95	136.55
Profitability	Return on assets (%)		6.71	9.22
	Return on equity (%)		9.86	13.86
	Pre-tax income to paid-in capital ratio (%)		38.32	46.70
	Net income margin (%)		10.27	13.92
	EPS (NT\$)		1.80	2.63

Note : Consolidated information on the Company and its subsidiaries.

#### 6. Research and Development Status

- 1、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.
- 2、Due to demand marketing of instant noodles by co-branding, 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.
- 3、Fast food have 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. Fast food products is certified by "Eatender", enhancing the company's brand and exposure.



- 4、Raw material establishment and new product development, ensuring product safety and maintaining consumer health.
- 5、Research and innovate various products, extend the product image of existing brands, and increase products' added value.

### 3.Summary of Business Operation Plans for 2024

Entering the inflation era in 2024, the rise in minimum wages and electricity rates has led to an increase in overall prices. The ongoing Russia-Ukraine war, the Israel-Palestine conflict, and the persistent US-China tensions have further intensified inflation, leading to reduced consumer spending. To maintain the overall competitiveness of Taiwan's food industry, apart from updating some equipment in Taiwan, the Company will also develop higher-priced products, such as bowl noodles and personal instant meals, to enhance competitiveness and meet consumer demand. The main initiatives are as follows:

1. **Continuous Equipment Automation Updates:** The new soy sauce blending facility is currently in the trial run phase. The new noodle machine for the instant noodle factory is undergoing acceptance testing. The newly purchased filling machine for the fast food unit has also been completed.
2. **New Products:** Focus on developing our own brand while continuing to cater to the personalized product market, such as combining seasoning packets with staple foods for personalized products.
3. **Idle Asset Development:** Continue the application process for idle asset development and expedite the development process.
4. **Overseas Investments:** Increase production capacity to meet customer demand and generate higher sales.

Under the impact of war and inflation, the business results for the year 2023 in Taiwan could only maintain performance levels. For the year 2024, the aim is to maintain a flat performance; however, due to slightly reduced costs and price adjustments, profits are expected to grow compared to last year.

At the beginning of the year 2024, due to food safety issues, consumer confidence was affected, which in turn impacted overall performance. Therefore, the overall production and sales policy will prioritize the highest standards of food safety, providing necessary items to the market while adjusting production capacity to offer a stable supply of the highest quality products to consumers and the market.

The above operational plans will require all employees to set goals and fully commit to achieving the expectations of all shareholders.



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

The Company must expand its plants, upgrade equipment, enhance technology, invest in R&D, and attract outstanding talents to achieve a significant breakthrough in revenue. In a highly competitive external environment, it is a serious issue to consider how to create opportunities for substantial revenue growth.

To pursue business growth, products must be innovative and not confined to old product concepts. The Company must also meet the needs of various consumer groups to gain favor and attract consumer patronage. Therefore, understanding the future market becomes increasingly important. Due to social changes and changes in family structures, in an era of fast-paced lifestyles, developing versatile soy sauces with functions such as grilling, braising, and dipping, providing simple and convenient cooking sauces to the public, will be the trend in product development. The Company will strive in this direction for future soy sauce products. To protect the Earth and be environmentally friendly, during the process of updating soy sauce equipment, the Company will focus on waste reduction processing, separate rain and wastewater channels, and fully recycle energy, aiming for a cleaner and tidier work environment that meets energy-saving, carbon-reduction, and food production operation requirements.

According to market observations, instant noodles and ambient ready-to-eat foods are the main products catering to consumer demand. Therefore, future capital expenditures will focus on these two production lines to improve existing plant specifications and production workflows. The Company aim to introduce modern automated equipment to enhance production capacity, save labor, and expand production and sales capabilities.

In pursuit of sustainable corporate development, the Company will invest in whole-food liquefaction technology, incorporating the concept of "Whole Material Utilization" into different products, preserving the nutrition, health, and deliciousness of food while considering environmental sustainability. The Company will adhere to this principle, expand the application scope of the technology, and enlarge the scale of production and sales to build a circular production economy and promote people's health and well-being.

To strengthen the performance of asset management, we will accelerate efforts to fully utilize or develop idle assets and comprehensively review current asset usage to find better solutions to enhance efficiency. This will increase Company revenue and create higher profit goals for all shareholders.

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

After experiencing the impact of the pandemic and international wars over the past few years, the Company is finally gradually overcoming the adverse factors of raw material shortages and soaring prices. In 2023, the prices of raw materials have slowly stabilized and continued to decline slightly, thereby easing cost pressures somewhat. However, inflation has reduced consumer willingness to spend, leading to a contraction in consumption, resulting in insufficient revenue growth and a slowdown in performance.





With the increase in production capacity, market diversification, and product innovation, the demand for food safety and hygiene has also risen. Food safety and hygiene are the most fundamental and important principles for food manufacturers. The Company has always strictly adhered to relevant food safety and hygiene regulations and has obtained the FSSC 22000 (Food Safety System Certification 22000). FSSC 22000 is a food safety standard based on the Global Food Safety Initiative. Through this system certification, the Company have comprehensively enhanced the requirements for food safety, hygiene, and quality. The initial results of this effort were evident during the 2024 food safety incidents, and it serves as a crucial foundation for aligning with international standards and trade markets. Going forward, the Company will continue to ensure that consumers enjoy delicious food that meets high standards of safety and hygiene.

To achieve the goal of sustainable operation, in addition to aligning with global trends and national policies, the Company will continue to work on improving greenhouse gas emissions, strengthening energy use, water resource management, and waste management. The Company will also fulfill the corporate social responsibility by prioritizing employee welfare and rights, creating an excellent and healthy work environment, maintaining occupational safety and health, and actively participating in various public welfare activities to contribute to a better future.

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.

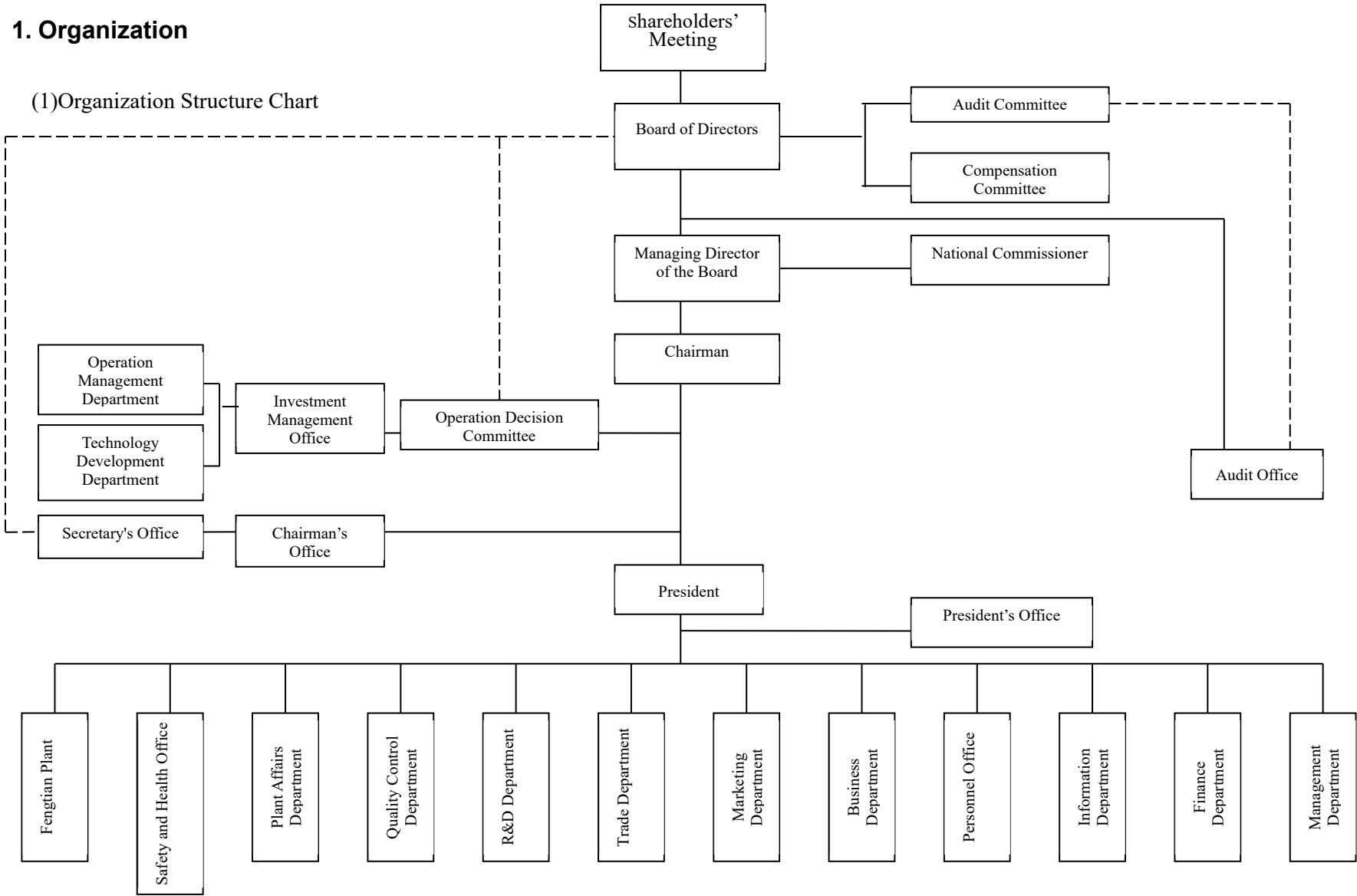


- |      |  |
|------|--|
| 2022 | <ol style="list-style-type: none"> <li>1. The automated packaging production line for Little Prince Noodles is undergoing testing and is expected to be launched in 2023.</li> <li>2. The newly constructed building for the soy sauce division has been completed, and machine equipment installation is currently in progress.</li> </ol>  |
| 2023 | <ol style="list-style-type: none"> <li>1. In June, the "Dei Dei Eating Beef Noodles with Zhajiang Sauce" won the "New Flavor Food Trend" award at the "FUN FOOD TAIWAN" event organized by the Industrial Development Bureau, Ministry of Economic Affairs.</li> <li>2. The automated packaging production line for "Little Prince Noodles" has officially been launched.</li> <li>3. In July, obtained FSSC-22000 food safety management system certification.</li> </ol> |

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 22<sup>th</sup> Board Members

April 30, 2024

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. / Saigon Ve Wong Co., Ltd. ➤ Director of Green Total Food Liquefaction Co., Ltd. / Thai Fermentation Industry Co., Ltd. ➤ Managing Director of Formosa TV	-	-	-	-
	R.O.C	Representative / <b>Chen, Ching-Fu</b>	Male 71~80	July 14, 2021		September 16, 2000	907,798	0.378	1,195,798	0.498	—	—	—	—						
Managing Director	R.O.C	<b>Chen, Kung-Pin</b>	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 College of Arts and Sciences	➤ Chairman of Summit Packing Industrial Co., Ltd. / Green Total Food Liquefaction Co., Ltd ➤ General Manager of The World Champion Co., Ltd. / Tai Ve Co., Ltd. ➤ Vice Chairman of Thai Fermentation Industry Co., Ltd.	-	-	-	-
Managing Director	R.O.C	<b>Kan, Chin-Yu</b>	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	➤ Chairman of Dong Guang Steel Machinery Co., Ltd. ➤ Director of The World Champion Co., Ltd. / Tai Ve Co., Ltd. / Saigon Ve Wong 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 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.	Director	Egawa Hirokazu	brother	
	Japan	Representative / <b>Egawa Manwa</b>	Male 61~70	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 / <b>Egawa Hirokazu</b>	- Male 71~80	July 14, 2021 July 14, 2021	3 years	June 21, 2012 June 21, 2012	7,215,354 0	3.006 0	7,215,354 0	3.006 0	— —	— —	— —	— —	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 / <b>Du, Heng-Yi</b>	- Male 61~70	July 14, 2021 July 14, 2021	3 years	June 11, 1999 June 11, 1999	8,759,761 230,909	3.650 0.096	8,759,761 230,909	3.650 0.096	— —	— —	— —	— —	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 / <b>Chang Rong-Jun</b>	- Male 61~70	July 14, 2021 July 14, 2021	3 years	June 28, 2006 August 10, 2021	3,700,005 301	1.542 0.000	3,700,005 301	1.542 0.000	— —	— —	— —	— —	Master of Management, National Yunlin University of Science and Technology	➤ Director of Wanpao Asset Management Co., Ltd. ➤ Supervisor of Ruopu Construction and Development Co., Ltd.	-	-	-	-
Director	R.O.C R.O.C	Fu Tai Investment and Development Co., Ltd. Representative / <b>Chou, Hai-Kuo</b>	- Male 71~80	July 14, 2021 July 14, 2021	3 years	June 26, 1997 June 26, 1997	1,896,990 0	0.790 0	1,896,990 0	0.790 0	— —	— —	— —	— —	Da Der Commercial and Technical School	➤ Director of Summit Packing Industrial Co., Ltd./ Saigon Ve Wong Co., Ltd.	-	-	-	-
Director	R.O.C R.O.C	Hsieh Mei Enterprise Co., Ltd. Representative / <b>Yeh, Chii-Jau</b>	- Male 61~70	July 14, 2021 July 14, 2021	3 years	May 28, 1993 May 28, 1993	1,822,668 35,425	0.759 0.015	1,822,668 35,425	0.759 0.015	— —	— —	— —	— —	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 / <b>Lai, Chee-Lee</b>	- Male 71~80	July 14, 2021 July 14, 2021	3 years	June 01, 1994 June 01, 1994	1,129,369 978,850	0.471 0.408	1,129,369 978,850	0.471 0.408	— 199,622	— 0.083	— —	— —	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.	-	-	-	-
Director	R.O.C R.O.C	Her Yeu Trading Co., Ltd. Representative / <b>Lee, Chi-Lung</b>	- 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.	-	-	-	-



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	Overseas Bros Co., Ltd. Representative <b>Chen, Yueh-Feng</b>	- 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 Chuan Wei Investment Co., Ltd.	-	-	-	-
Independent Director (Managing Director)	R.O.C	<b>Liao, Chi-Fang</b>	Male 61~70	July 14, 2021	3 years	June 23, 2015	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	<b>Chiang, Wen-Chang</b>	Male 71~80	July 14, 2021	3 years	June 26, 2018	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	<b>Hu, Tung-Huang</b>	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 ➤ Chairman 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. The directors of the company are the major shareholders of the legal person shareholders

(1) Major shareholder of legal person shareholder

April 30, 2024

Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)
Great Pacific Navigation Co, Ltd.	Chen Xi-He 25.51 Egawa Manwa 25.49 Chen, Yueh-Feng 16.86 Chen, Chin-He 12.60 Egawa Taketada 8.02 Egawa Shurei 7.63 Zhiyi Linghua 3.82 Egawa Chiho 0.05 Wan Kuo Trading Co., Ltd. 0.01
Oversea Fruits Trading Co., Ltd.	Great Pacific Navigation Co, Ltd. 62.82 Chen, Yueh-Feng 24.00 Chen, Rong-Xiang 12.02 Chen Yen, Jin-Yheh 0.52 Chen, Xi-He 0.20 Egawa Norikazu 0.20 Chen, Wan-He 0.24
Overseas Bros Co., Ltd.	Great Pacific Navigation Co, Ltd. 36.04 Egawa Shurei 25.42 Egawa Taketada 19.55 Egawa Hirokazu 7.49 Egawa Manwa 7.49 Chen, Yueh-Feng 3.76
Her Yeu Trading Co., Ltd.	Great Pacific Navigation Co., Ltd. 29.86 Egawa Hirokazu 14.83 Egawa Norikazu 14.83 Egawa Manwa 14.83 Wan Kuo Trading Co., Ltd. 12.76 Hao Shine Trading Co., Ltd. 12.76 Egawa Taketada 0.14
Whole Green Trading Co., Ltd.	Egawa Taketada 85.17 Great Pacific Navigation Co., Ltd. 5.17 Chen, Yueh-Feng 4.83 Chen, Ling-Ling 2.41 Chen, Rong-Xiang 2.41
Chien Shun Trading Co., Ltd.	Du, Heng-Yi 56.71 Ting Chien Co., Ltd. 19.63 Du, Jun-Xian 3.01 Du, Jun-De 3.74 Shueh, Shiue-Jen 16.08 Ting Fang Investment Co., Ltd. 0.08 Du, Wan-Quan Charity Foundation 0.02 Du, Ming-You 0.54 Du, Guan-En 0.18



Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Syuan Yuan Industrial Co., Ltd.	Huang, Chin-Ze	34.81
	Chen, Hong-Mo	9.80
	Ke, Zong-Zhi	25.00
	Hong, Yao-Ming	30.39
Fu Tai Investment and Development Co., Ltd.	Tan-Lien Investment Co., Ltd.	24.19
	Shen-Po investment Co., Ltd.	9.22
	Kao-Tien Investment Co., Ltd.	7.37
	Tan-Tse Enterprise Co., Ltd.	7.32
	Tan-Tung Investment Co., Ltd.	7.29
	Mei-Te Investment Co., Ltd.	6.23
	Yung-Jen Investment Co., Ltd.	5.10
	Tung-An Investment Co., Ltd.	4.81
	Kao-Chi Investment Co., Ltd.	4.53
Hsieh Mei Enterprise Co., Ltd.	Huang-Pin Investment Co., Ltd.	3.39
	Yeh, Ying-Mei	16.28
	Yeh, Chii-Jau	15.47
	Yeh, Ying-Xian	12.42
	Chen, Zang-Gu	10.88
	Yeh, Yuan-Zhu	9.10
	Tseng, Shu-Yun	6.35
	Chang Hsin Investment Co., Ltd.	6.25
	Yeh, Ying-Qiu	5.80
	Lai, Rong-Nian	3.25
Chuan Lun Investment Co., Ltd.	Yeh, Chei-Fang	2.55
	Lai, Chee-Lee	29.51
	Lai, Jay-Lun	23.74
	Chen, Pi-Chuan	21.76
	Lai, Hsiao-Lun	18.01
	Chiang, Pei-Yu	5.26
	Lai, Hsing-Chien	1.71

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. If the major shareholder in the previous table is a legal person, its major shareholder

April 30, 2024

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	9.67
	Egawa Hirokazu	24.50
	Great Pacific Navigation Co, Ltd.	2.00
	Egawa Taketada	30.60
	Egawa Norikazu	8.67
	Egawa Manwa	24.50
	Chen, Rong-Xiang	0.06
Hao Shine Trading Co., Ltd.	Chen, Yueh-Feng	35.00
	Egawa Taketada	13.86
	Egawa Hirokazu	51.00
	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	35.50
	Yang, Shi-Fu	10.00
	Yang, Shi-Qing	30.30
	Yang, Shi-Guang	20.00
	Yang, Yu-Xuan	0.90
	Yang, Yu-De	0.90
Shen-Po Investment Co., Ltd.	Pinzheng Investment Co., Ltd.	20.67
	Danpo Investment Co., Ltd.	26.34
	Chung-Ya Investment Co., Ltd.	17.34
	Danpo Investment Co., Ltd.	10.33
	Yang, Yun-De	5.30
	Yang, Zong-Zhan	3.13
	Yang, Fu-Cheng	3.13
	Yang, Zheng	2.00
	Yang, Shi-Feng	5.00
	Yang, Shi-Yu	5.00



Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Kao-Tien investment Co., Ltd.	Yang, Tong	53.67
	Liang, Chun-Man	30.85
	Tan-Tung Investment Co., Ltd.	4.94
	Yang, Hsin-Yi	5.25
	Yang, Tsai-Jung	5.29
Tan-Tse Enterprise Co., Ltd.	Kao-Chi Investment Co., Ltd.	24.55
	Yang-Chi Investment Co., Ltd.	24.55
	Huang-Pin Investment Co., Ltd.	24.46
	Yung-Jen Investment Co., Ltd.	25.00
	Yang, Meng-Da	0.09
	Yang, Yong-Huang	0.45
	Yang, Kun-Xiang	0.45
	Yang, Kun-Chou	0.45
Tan-Tung Investment Co., Ltd.	Tung-An Investment Co., Ltd.	29.63
	Mei-Te Investment Co., Ltd.	32.04
	Kao-Tien Investment Co., Ltd.	32.59
	Xiong, Zhen-Zhen	0.37
	Yang, Wen-Hu	3.70
	Yang, Chen-Wen	0.93
	Yang, Tong	0.74
Mei-Te Investment Co., Ltd.	Yang, Chen-Wen	4.03
	Xiong, Zhen-Zhen	9.73
	Yang, Tse-Yu	28.74
	Yang, Tse-Jui	28.75
	Yang, Ya-Tsu	28.75
Yung-Jen Investment Co., Ltd.	Yang, Yung-Jen	20.00
	Chen, Hui-Zhu	22.00
	Li, Yi-Xuan	2.00
	Yang, Huai-Qing	28.00
	Yang, Huai-Lei	28.00
Tung-An Investment Co., Ltd.	Yang, Wen-Hu	90.49
	Yang, Li-Hsu	8.98
	Yang, Ya-Xing	0.53
Kao-Chi Investment Co., Ltd.	Yang, Kun-Chou	25.00
	Yang, Cheng-Yu	25.00
	Yang, Chia-Wen	25.00
	Yang, Chia-Hui	25.00
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





Names of Institutional Shareholders (Note 1)	Major Stockholders of Institutional Shareholders (Note 2)	
Chang Hsin Investment Co., Ltd.	Yeh, Xun-Wan	30.40
	Yeh, Xun-Yang	16.00
	Tseng, Shu-Yun	10.00
	Yeh, Yuan-Zhu	10.56
	Yeh, Chii-Jau	8.64
	Hsieh Mei Enterprise Co., Ltd.	8.00
	Yeh, Ying-Xian	6.00
	Wang, Yeh, Ying-Qin	5.60
	Yeh, Chei-Fang	2.00
	Yeh, Ying-Qin	0.56

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
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.; Vice Chairman 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>• Chairman of Dong Guang Steel Machinery Co., Ltd./ Director of 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



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
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
Chang, Rong-Jun	<ul style="list-style-type: none"> <li>• With more than five years of business professional and corporate business experience.</li> <li>• Director of Wanpao Asset Management Co., Ltd. / Supervisor of Ruopu Construction and Development 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 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



Qualification Name	Professional Qualifications and Experience	Independence	Numbers of Concurrently Serving as an Independent Director of Another listed Company
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
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:

Diversification Core items  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, 2024

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	—	—	—	—	—
Associate Manager	R.O.C.	Wei, Jing-Xiong	Male	April 01, 2024	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.	Yang, Wen-Cheng	Male	February 01, 2023	0	0	—	—	—	—	National Pingtung Agricultural College	—	—	—	—	—
Manager	R.O.C.	Cheng, Zhi-Fang	Male	April 01, 2024	0	0	—	—	—	—	Taipei University	—	—	—	—	—
Manager	R.O.C.	Lu, Wen-Chieh	Male	April 01, 2024	0	0	—	—	—	—	National Taipei University	—	—	—	—	—
Manager	R.O.C.	Lee, Zhao-Fong	Male	April 01, 2024	0	0	—	—	—	—	Soochow University	—	—	—	—	—
Manager	R.O.C.	Lo, Xu-Zhou	Male	April 01, 2024	0	0	—	—	—	—	FengYuan High School	—	—	—	—	—

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.

Explanation: The Company does not have the circumstances of Note 3.



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

#### 1. Remuneration to Directors and Independent Directors (disclosure of individual names and remuneration methods)

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)		Receiving compensation from investments other than subsidiaries or from the parent company (Note 11)
		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	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				
																Cash dividend	Stock dividend		Cash dividend	Stock dividend		
Chairman	Great Pacific Navigation Co, Ltd. Representative / Chen, Ching-Fu	3,000	3,000	—	—	1,903	1,903	383	876	5,286	5,779	—	—	—	—	—	—	—	—	5,286	5,779	None
Managing Director	Chen, Kung-Pin	—	—	—	—	1,427	1,427	334	1,372	1,761	2,799	2,902	2,902	—	—	102	—	102	—	4,765	5,803	None
Managing Director	Kan, Chin-Yu	—	—	—	—	1,427	1,427	334	354	1,761	1,781	—	—	—	—	—	—	—	—	1,761	1,781	None
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa	—	—	—	—	1,427	1,427	334	902	1,761	2,329	—	—	—	—	—	—	—	—	1,761	2,329	None
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	—	—	—	—	951	951	126	596	1,077	1,547	—	—	—	—	—	—	—	—	1,077	1,547	None
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	—	—	—	—	951	951	126	146	1,077	1,097	—	—	—	—	—	—	—	—	1,077	1,097	None
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo	—	—	—	—	951	951	126	221	1,077	1,172	—	—	—	—	—	—	—	—	1,077	1,172	None
Director	Syuan Yuan Industrial Co., Ltd. Representative / Chang Rong-Jun	—	—	—	—	951	951	126	126	1,077	1,077	—	—	—	—	—	—	—	—	1,077	1,077	None
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	—	—	—	—	951	951	126	126	1,077	1,077	—	—	—	—	—	—	—	—	1,077	1,077	None
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	—	—	—	—	951	951	126	201	1,077	1,152	—	—	—	—	—	—	—	—	1,077	1,152	None
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	—	—	—	—	951	951	126	694	1,077	1,645	—	—	—	—	—	—	—	—	1,077	1,645	None
Director	Overseas Bros Co., Ltd. Representative / Chen, Yueh-Feng	—	—	—	—	951	951	126	126	1,077	1,077	—	—	—	—	—	—	—	—	1,077	1,077	None





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)		Receiving compensation from investments other than subsidiaries or from the parent company (Note 11)
		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	the Company	Companies included in the financial statement(Note 7)	the Company	Companies included in the financial statement(Note 7)	Cash dividend	Stock dividend	Cash dividend	Stock dividend	the Company	Companies included in the financial statement	
Independent Director (Managing Director)	Liao, Chi-Fang	—	—	—	—	1,427	1,427	359	359	1,786	1,786	—	—	—	—	—	—	—	—	1,786	1,786	None
										0.42%	0.42%									0.42%	0.42%	
Independent Director	Chiang, Wen-Chang	—	—	—	—	952	952	151	151	1,103	1,103	—	—	—	—	—	—	—	—	1,103	1,103	None
										0.26%	0.26%									0.26%	0.26%	
Independent Director	Hu, Tung-Huang	—	—	—	—	952	952	151	151	1,103	1,103	—	—	—	—	—	—	—	—	1,103	1,103	None
										0.26%	0.26%									0.26%	0.26%	
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.																						

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.





## 2. 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	2,399	2,399	-	-	503	503	102	-	102	-	3,004 0.70%	3,004 0.70%	None

\* Disregarding position titles. All such job positions including presidents, vice presidents (e.g., President, Chief Executive Officer (CEO), Superintendent...) shall be disclosed.

Note 1: The names of the General Manager and Deputy General Managers should be listed separately, with the total amounts of each type of compensation disclosed. If a director also serves as the General Manager or Deputy General Manager, this table and Table (1-1) or (1-2-1) and (1-2-2) should be filled out.

Note 2: This note includes the salaries, job allowances, and severance payments of the General Manager and Deputy General Managers for the most recent year.

Note 3: This note includes various bonuses, incentive payments, travel expenses, special allowances, various subsidies, housing, allocated vehicles, and other benefits in kind and other compensation amounts for the General Manager and Deputy General Managers for the most recent year. If housing, cars, and other transportation means or personal expenditures are provided, the nature and cost of the provided assets, actual or fair market rental, fuel costs, and other benefits should be disclosed. If a driver is provided, note the relevant compensation paid by the company to the driver, but this should not be included in the compensation total. Additionally, salary expenses recognized according to IFRS 2 "Share-based Payment," including acquiring employee stock options, restricted stock awards, and participating in cash capital increases, should also be included in the compensation total.

Note 4: This note includes the amounts of employee compensation distributed to the General Manager and Deputy General Managers, as approved by the board of directors for the most recent year (including stocks and cash). If the amounts cannot be estimated, they should be calculated based on the proportion of the actual distribution amounts from the previous year and listed in Appendix 1-3.

Note 5: The total compensation paid by all companies in the consolidated report (including this company) to the General Manager and Deputy General Managers of this company should be disclosed.

Note 6: The total compensation paid by this company to each General Manager and Deputy General Manager should be disclosed within the appropriate range, along with the names of the General Manager and Deputy General Managers.

Note 7: The total compensation paid by all companies in the consolidated report (including this company) to each General Manager and Deputy General Manager should be disclosed within the appropriate range, along with the names of the General Manager and Deputy General Managers.

Note 8: Net profit after tax refers to the net profit after tax of the most recent year as per individual or separate financial reports.

Note 9: a. This column should clearly state the amounts of compensation received by the General Manager and Deputy General Managers from investments other than subsidiaries or from the parent company (if none, please write "None").

Explanation: Deputy General Manager Lee, Chi-Lung is stationed at Thai Fermentation Industry Co., Ltd. and does not receive any compensation from this company.

### 3. Remuneration for the top five highest-paid executives (disclosure of individual names and remuneration methods) (Note 1)

Unit: NT\$ Thousand

Job Title	Name	Salary (A) (Note 2)		Pension (B)		Salaries, bonuses, and special subsidies (C) (Note 3)		Employee bonus allocated from earnings (D) (Note 4)				The sum of A, B, C, and D in proportion to Earnings (%) (Note 6)		Whether remuneration from any reinvested other than subsidiaries i received (Note 7)
		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	
								Cash	Stock	Cash	Stock			
General Manager	Chen, Kung-Pin	2,399	2,399	-	-	503	503	102	-	102	-	3,004	3,004	None
												0.70%	0.70%	
Associate Manager	Cheng, Xuan-Zhang	1,376	1,376	-	-	170	248	55	-	55	-	1,601	1,679	None
												0.37%	0.39%	
Manager	Yu, De-Pu	1,153	1,153	-	-	142	142	45	-	45	-	1,340	1,340	None
												0.31%	0.31%	
Manager	Wei, Jing-Xiong	1,078	1,078	-	-	133	133	42	-	42	-	1,253	1,253	None
												0.29%	0.29%	
Manager	Chen, Rong-Xian	937	937	-	-	115	115	36	-	36	-	1,088	1,088	None
												0.25%	0.25%	

Note 1: The term "Top Five Highest Compensated Executives" refers to the company's managerial personnel. The standard for identifying these managerial personnel is based on the directive issued by the former Securities and Futures Commission of the Ministry of Finance on March 27, 2003, document number Tai-Tsai-Cheng No. 0920001301, defining the scope of "managerial personnel." The principle for determining the "Top Five Highest Compensated" is based on the total amount of salary, severance, bonuses, special allowances, and employee compensation received by the company's managerial personnel from all companies included in the consolidated financial report (i.e., the total of A+B+C+D), ranked to identify the top five highest compensated executives. If a director also serves as one of these executives, this table and Table (1-1) should be filled out.

Note 2: This note includes the salaries, job allowances, and severance payments of the top five highest compensated executives for the most recent year.

Note 3: This note includes various bonuses, incentive payments, travel expenses, special allowances, various subsidies, housing, allocated vehicles, and other benefits in kind and other compensation amounts for the top five highest compensated executives for the most recent year. If housing, cars, and other transportation means or personal expenditures are provided, the nature and cost of the provided assets, actual or fair market rental, fuel costs, and other benefits should be disclosed. If a driver is provided, note the relevant compensation paid by the company to the driver, but this should not be included in the compensation total. Additionally, salary expenses recognized according to IFRS 2 "Share-based Payment," including acquiring employee stock options, restricted stock awards, and participating in cash capital increases, should also be included in the compensation total.

Note 4: This note includes the amounts of employee compensation distributed to the top five highest compensated executives, as approved by the board of directors for the most recent year (including stocks and cash). If the amounts cannot be estimated, they should be calculated based on the proportion of the actual distribution amounts from the previous year and listed in Appendix 1-3.

Note 5: The total compensation paid by all companies in the consolidated report (including this company) to the top five highest compensated executives of this company should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the most recent year as per individual or separate financial reports.

Note 7: a. This column should clearly state the amounts of compensation received by the top five highest compensated executives from investments other than subsidiaries or from the parent company (if none, please write "None").

b. Compensation refers to the remuneration, compensation (including employee, director, and supervisor compensation), and business execution expenses received by the top five highest compensated executives of this company for serving as directors, supervisors, or managers of investments other than subsidiaries or the parent company.

\* 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.

Explanation: Manager Wei, Jing-Xiong was promoted to Associate Manager on April 1, 2024.



#### 4. Employee Bonus Amount Paid to Managerial Officers

April 30, 2024  
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	344	344	0.08%
	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.

Explanation:

1. Manager Wei, Jing-Xiong was promoted to Associate Manager on April 1, 2024.
2. Manager of Finance and Accounting Lu, Wen-Chieh was promoted to Manager on April 1, 2024.
3. Deputy General Manager Lee, Chi-Lung does not receive any distribution of employee compensation.

5. 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 2023 was slightly higher than in 2022, and the proportion of net profit after tax decreased, but there was no significant change. The total remuneration for 2022 and 2023 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
2022	625,396	The Company	4.46%	0.49%
		Consolidated financial statement in the consolidated statement	4.97%	0.49%
2023	427,700	The Company	5.42%	0.70%
		Consolidated financial statement in the consolidated statement	6.20%	0.70%

(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 7 (A) meetings in 2023. 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	7	0	100%	Re-elected. The Board held 7 meetings
Managing Director	Chen, Kung-Pin	5	2	71.4%	Re-elected. The Board held 7 meetings
Managing Director	Kan, Chin-Yu	6	1	85.7%	Re-elected. The Board held 7 meetings
Managing Director	Whole Green Trading Co., Ltd. Representative / Egawa Manwa	4	3	57.1%	Re-elected. The Board held 7 meetings
Director	Oversea Fruits Trading Co., Ltd. Representative / Egawa Hirokazu	4	3	57.1%	Re-elected. The Board held 7 meetings
Director	Syuan Yuan Industrial Co., Ltd.	4	3	57.1%	Re-elected. The Board held 7 meetings
Director	Fu Tai Investment and Development Co., Ltd. Representative / Chou, Hai-Kuo	7	0	100%	Re-elected. The Board held 7 meetings
Director	Chuan Lun Investment Co., Ltd. Representative / Lai, Chee-Lee	5	2	71.4%	Re-elected. The Board held 7 meetings
Director	Hsieh Mei Enterprise Co., Ltd. Representative / Yeh, Chii-Jau	7	0	100%	Re-elected. The Board held 7 meetings
Director	Chien Shun Trading Co., Ltd. Representative / Du, Heng-Yi	6	1	85.7%	Re-elected. The Board held 7 meetings
Director	Her Yeu Trading Co., Ltd. Representative / Lee, Chi-Lung	0	7	0%	Re-elected. The Board held 7 meetings
Director	Overseas Bros Co., Ltd. Representative / Chen, Yuch-Feng	7	0	100%	Re-elected. The Board held 7 meetings
Independent Director (Managing Director)	Liao, Chi-Fang	7	0	100%	Re-elected. The Board held 7 meetings
Independent Director	Chiang, Wen-Chang	6	1	85.7%	Re-elected. The Board held 7 meetings
Independent Director	Hu, Tung-Huang	6	1	85.7%	Re-elected. The Board held 7 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
10 <sup>th</sup> Meeting of 22 <sup>st</sup> Board Mar. 29, 2023	1. Issues of employee compensation in 2022 and the amount of employee compensation for each manager.	V	
	2. Amount of 2022 remuneration for directors.	V	
	3. Amount of 2022 remuneration paid to independent directors.	V	
	4. Appointment of CPAs' Remuneration of Certified Public Accountants and Independent Assessment of Accountants in 2023.	V	
12 <sup>th</sup> Meeting of 22 <sup>st</sup> Board May. 19, 2023	Approval to participate in the cash capital increase of Hughes Company by issuing new shares, and subscribing to the unsubscribed shares as a specific person.	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 29, 2023, when the 10<sup>th</sup> meeting of the 22<sup>st</sup> session of the board of directors discussed the Company's 2022 manager-employee compensation proposal, Chen, Kung-Pin, the Managing Director and General Manager, has his own interest in this case. Therefore, he appointed Managing Director Kan, Chin-Yu to attend on his behalf. Managing Director Kan, as the appointed proxy, did not exercise voting rights for the part on behalf of Chen, Kung-Pin.
- 2) At the 10<sup>th</sup> meeting of the 22<sup>st</sup> session of the Board of Directors on March 29, 2023, when the Company's 2022 non-independent directors' remuneration proposal was discussed, non-independent directors Chen, Ching-Fu · 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 8 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 Manwa · Chen, Kung-Pin · Lee, Chi-Lung · Egawa Hirokazu to exercise their voting rights.
- 3) When the 10<sup>th</sup> meeting of the 22<sup>st</sup> session of the Board of Directors on March 29, 20223 discussed the Company's 2022 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) To enhance the functions and responsibilities of the Board of Directors and the effectiveness of corporate governance, the Board of Directors approved amendments to certain provisions of the 'Corporate Governance Best Practice Principles' on March 29, 2023.

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, 2023 to December 31, 2023	Overall board performance evaluation, functional committee performance evaluation	Internal self- evaluation by the board of directors	<p>➤ 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</p> <p>➤ 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</p> <p>➤ 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 members, total of 20 measurement items <b>Overall, the remuneration committee Evaluation Results:</b> Excellent</p> <p>➤ The performance evaluation results of the above-mentioned overall board of directors, audit committee, and remuneration committee have been reported on the 17<sup>th</sup> board meeting of the 22<sup>nd</sup> session of the company on Mar 28, 2024.</p>

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, 2023 to December 31, 2023	Performance evaluation of individual board members	Board member self-evaluation	<p>➤ 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.</p> <p><b>Overall, the individual directors Evaluation Results:</b> Excellent</p> <p>➤ 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 28, 2024.</p>

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 **five** (A) meetings in 2023. 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	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	4	1	100%	Re-elected. The Board held 5 meetings
<p>Other items to be recorded:</p> <p>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.</p> <p>(1) Matters listed in Article 14-5 of the Securities and Exchange Act: In 2023 and as of the publication date of the annual report, a total of 6 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.</p> <p>(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.</p> <p>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:</p> <p>➤ There is no circumvention of interest since the proposals of the audit committee this year have no interest in independent directors.</p>					

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
7 <sup>th</sup> Meeting of 2 <sup>nd</sup> 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. Review and amendment of certain provisions of the Company's 'Corporate Governance Best Practice Principles'.</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.
8 <sup>th</sup> Meeting of 2 <sup>nd</sup> Board May. 08, 2023	<ol style="list-style-type: none"> <li>1. 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 with all attending committee members, the proposal was unanimously approved. It was recommended to subscribe to the unsubscribed new shares as a specific person to maintain the company's original investment shareholding ratio. This recommendation is submitted for the Board of Directors' resolution.	The resolution of the board of directors was submitted and passed without objection by all the directors present.
9 <sup>th</sup> Meeting of 2 <sup>nd</sup> Board June 12, 2023	<ol style="list-style-type: none"> <li>1. Review of the company's bid to purchase residential land in the Zhuwei Subsection, Chiayi City, as announced for sale by the National Property Administration.</li> </ol>	After the Chairman consulted with all attending committee members, the proposal was unanimously approved. The appropriate bidding price will be discussed and decided by the Board of Directors.	Reported to the Board of Directors, and all attending directors unanimously agreed not to participate in the bidding for the land in this case.

10 <sup>th</sup> Meeting of 2 <sup>nd</sup> Board Aug. 04, 2023	This meeting had no discussion items; it consisted solely of reports by the relevant departments.		
11 <sup>th</sup> Meeting of 2 <sup>nd</sup> Board Nov. 03, 2023	<ol style="list-style-type: none"> <li>1. The Company's "2024 audit work schedule" and "2024 work plan schedule of Audit Department" review case.</li> <li>2. Write-off of accounting items related to the investment in Indonesian Ve Wong Co., Ltd. in the Company's financial statements.</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.
12 <sup>th</sup> Meeting of 2 <sup>nd</sup> Board Mar. 25, 2024	<ol style="list-style-type: none"> <li>1. The Company's 2023 Internal Control System effectiveness judgment project and evaluation result review case.</li> <li>2. The Company's 2023 Internal Control System statement review case.</li> <li>3. The Company's 2023 consolidated financial statements, individual financial statements and business reports review case.</li> <li>4. The Company's 2023 earnings distribution statement review case.</li> <li>5. The Company's 2024 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.

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, 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 the execution of internal audits and the status of follow-up improvements.</li> <li>2. Report the effectiveness judgment items and evaluation results of the Company's 2022 internal control system.</li> <li>3. Report the Company's 2022 internal control system statement.</li> <li>4. Report on the review and explanation of the amendments to certain provisions of the Company's 'Corporate Governance Best Practice Principles'.</li> </ol>	Season	There is no objection at this meeting
May. 08, 2023	8 <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 the execution of internal audits and the status of follow-up improvements.</li> </ol>	season	There is no objection at this meeting

Aug. 04, 2023	10 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	1. Report on the execution of internal audits and the status of follow-up improvements.	season	There is no objection at this meeting
Nov. 03, 2023	11 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	1. Report on the execution of internal audits and the status of follow-up improvements. 2. Report on the 2024 audit plan.	season	There is no objection at this meeting
Mar. 25, 2024	12 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	1. Report on the execution of internal audits and the status of follow-up improvements. 2. Report the Company's 2023 internal control system effectiveness judgment items and evaluation results. 3. Report the Company's 2023 internal control system statement.	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, 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	Report on the impact of the novel coronavirus pandemic, the audit work of other accountants, the use of management experts, the 2022 audit report, key audit matters, materiality levels, significant disclosures in the financial statements, and communication with the governance body in 2022, as well as information about the audit team.	year	no other comment
Apr. 07, 2023	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
May. 10, 2023	Accountant Inquiries	Governance Matters Identified During the Auditor's Review of Ve Wong Corporation's 2023 First Quarter Financial Statements.	season	Negotiate and have no other comment
Aug. 10, 2023	Accountant Inquiries	Governance Matters Identified During the Auditor's Review of Ve Wong Corporation's 2023 Second Quarter Financial Statements.	season	Negotiate and have no other comment
Nov. 08, 2023	Accountant Inquiries	Governance Matters Identified During the Auditor's Review of Ve Wong Corporation's 2023 Third Quarter Financial Statements.	season	Negotiate and have no other comment

Dec. 06, 2023	Accountant Inquiries	Governance Matters in the Planning Stage of the Auditor's Engagement to Audit Ve Wong Corporation and its Subsidiaries' 2023 Consolidated Financial Statements and Ve Wong Corporation's 2023 Individual Financial Statements.	season	Negotiate and have no other comment
Mar. 18, 2024	Accountant Inquiries	Governance Matters Identified During the Auditor's Audit of Ve Wong Corporation's 2023 Financial Statements.	season	Negotiate and have no other comment
Mar. 25, 2024	12 <sup>th</sup> Meeting of 2 <sup>nd</sup> Audit Committee meeting / attendance, oral presentation	Report on the 2023 Auditor's Report: Audit Scope, Use of Other Auditors' Work, Use of Management Experts, 2023 Auditor's Report, Key Audit Matters, Materiality Levels, Significant Financial and Business Matters, Communication with Governance Units in 2023, and Audit Team Information.	year	no other comment
Apr. 03, 2024	Accountant Inquiries	Governance Matters in the Planning Stage of the Auditor's Audit/Review of Ve Wong Corporation's 2024 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 provisions of the Corporate Governance Best Practice Principles for Listed and OTC Companies
2. Equity structure and shareholders' equity of the company? (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.	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles for Listed and OTC Companies
(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 (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 accordance with its own operations, business	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles for Listed and OTC Companies



Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			models, and development needs. It should include but not be 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. 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).	
(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 individual directors and nomination and renewal?	✓		(3) In May 2020, the Company's board of directors approved the "Board Performance Evaluation Method" and the evaluation approach. The performance evaluation results were reported to the board of directors in March 2024.	

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
(4) Does the Company regularly evaluate the independence of the independent auditor?	✓		<p>(4) Each year, our company evaluates the independence of the certifying accountant based on specific independence assessment criteria. The results are reported to the Audit Committee and the Board of Directors for discussion and approval during the March meetings.</p> <ol style="list-style-type: none"> <li>1. The Company's independent auditors provide the company's "Accountant's Independence Statement" every year.</li> <li>2. In addition, the rotation of the company's independent auditors is also handled in compliance with relevant regulations.</li> </ol>	
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.)?	✓		<p>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.</p> <p>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.</p>	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles for Listed and OTC Companies.
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 website, and properly respond to major Corporate Social Responsibility issues of concern to stakeholders?	✓		<p>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 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</p>	The operating conditions listed on the left comply with the provisions of the Corporate Governance Best Practice Principles for Listed and OTC Companies.

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
			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.	
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 for Listed and OTC Companies.
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 report within two months after the end of the fiscal year, and announce and declare the first, second, and third-quarter	✓		(3) The company completes the announcement and declaration after the board meeting 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	The operating conditions in column (3) on the left are implemented in accordance with laws and regulations

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
financial report and each month's operation ahead of the required time limit?			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.	
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.)?	✓         ✓		The company issues a corporate social responsibility (CSR) report to disclose the corporate governance operation and non-financial information to the public. (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. (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. (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.  ✓ (4) The situation of directors' advanced training: The company actively arranges directors'	The operating conditions listed on the left comply with the Corporate Governance Best Practice Principles, and there is no major difference.

Item	Implementation Status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons.
	Yes	No	Summary	
	✓		<p>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.</p> <p>(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.</p>	
	✓		<p>(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.</p>	
	✓		<p>(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 2023.</p>	

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. (Companies not under evaluation do not need to fill this out) Improvements made, and priority areas for enhancement and measures for those not yet improved. (Companies not under evaluation do not need to fill this out)  Based on the results of the 2023 10 <sup>th</sup> Corporate Governance Evaluation, the following priority improvement areas and measures are planned: (1) Revise the Company's Procedures for Acquisition or Disposal of Assets to include management procedures for purchase and sale transactions. (2) Revise the Company's Risk Management Policy and Procedures to include oversight of risk management by functional committees at the Audit Committee or Board of Directors level. (3) Provide continuous audio and video recordings of the shareholders' meeting, uploaded in full after the meeting.				

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 2023

Diversification Projects	Country of Citizenship	Gender	Operation Judgment	Accounting and financial analysis	Operating Management	Crisis Management	Industry Knowledge	International Market View	Leadership	Decision Making
Name of Directors										
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' Concerns: Material Issues, Communication Frequency, Channels, and Methods**

Stakeholder	Concerned Issues	Communication Channel and Method	Communication Frequency
Shareholders and Investors	<ul style="list-style-type: none"> <li>•Regulatory Compliance</li> <li>•Operational Performance</li> <li>•Sustainable Development Strategy</li> <li>•Risk Management</li> <li>•Corporate Governance</li> </ul>	Annual General Meeting of Shareholders, Irregular Corporate Briefings	Annual
		Quarterly Board Meetings	Quarterly
		Announce Material Information According to Regulatory Requirements	Irregular
		Regular Disclosure of Financial Statements/Annual Reports/ESG Reports	Quarterly/Annual
		Information Disclosure on the Company Website	Irregular
		Stock Transfer Agency	Irregular
		Internal Contact Window for Investor Services	Irregular
		Spokesperson System	Irregular
Employees	<ul style="list-style-type: none"> <li>• Occupational Health and Safety</li> <li>• Labor Relations</li> <li>• Human Resource Strategy</li> <li>• Environmental Management</li> </ul>	Quarterly Labor-Management Meetings, Union Board of Directors and Supervisors Meetings, Safety and Health Committee	Quarterly
		Annual Union Member Representative Assembly	Annual
		Stakeholder Section on the Company Website	Irregular
		Irregular Internal Bulletin Board, Internal Website, Emails	Irregular
		Quarterly or Irregular Employee Welfare Committee Meetings	Quarterly
Consumers	<ul style="list-style-type: none"> <li>• Food Quality, Safety, and Certification</li> <li>• Product Traceability Management</li> <li>• Product Responsibility</li> <li>• Product Innovation and After-Sales Service</li> <li>• Product Information and Labeling</li> </ul>	Stakeholder Section on the Company Website	Irregular
		Little Prince Living House (FB), Company LINE Customer Service (Ve Wong CS)	Irregular
		0800 Toll-Free Hotline and Email	Irregular
		Regular Disclosure of ESG Reports	Annual
		Irregular Annual Satisfaction Surveys and In-Store Promotions	Annual
Community	<ul style="list-style-type: none"> <li>• Community Relations</li> <li>• Environmental Management</li> <li>• Greenhouse Gas and Energy Management</li> </ul>	Public Complaint Form Mechanism	Irregular
		Irregular Community Visit Activities or Material Sponsorship	Irregular
		Regular Disclosure of ESG Reports	Annual
Suppliers	<ul style="list-style-type: none"> <li>• Procurement Practices</li> <li>• Supply Chain Management</li> <li>• Product Traceability Management</li> </ul>	Stakeholder Section on the Company Website	Irregular
		Irregular Factory Visit Evaluations, Telephone and Email Communication	Irregular
		Whistleblower Hotline and Email for Violations of Ethical Business Conduct	Irregular
Corporate Clients and Distributors	<ul style="list-style-type: none"> <li>•Product Innovation and After-Sales Service</li> <li>•Product Traceability Management</li> <li>•Food Quality, Safety, and Certification</li> <li>•Product Information and Labeling Procurement Practices</li> </ul>	Irregular Annual Satisfaction Surveys	Irregular
		Irregular Salesperson Visits	Irregular
		Stakeholder Section on the Company Website	Irregular
Government Agencies	<ul style="list-style-type: none"> <li>•Regulatory Compliance</li> <li>•Product Information and Labeling</li> <li>•Corporate Governance</li> </ul>	Irregular Policy Promotion Meetings, Correspondence	Irregular
		Irregular Business Visits, Telephone Communication	Irregular

Stakeholder	Concerned Issues	Communication Channel and Method	Communication Frequency
	<ul style="list-style-type: none"> <li>•Occupational Health and Safety</li> <li>•Labor Relations</li> <li>•Greenhouse Gas and Energy Management</li> </ul>	Irregular Regulatory Audits	Irregular
		Announce Material Information According to Regulatory Requirements	Irregular
		Regular Disclosure of Financial Statements/Annual Reports/ESG Reports	Quarterly/Annual
Media and Online Communities	<ul style="list-style-type: none"> <li>•Regulatory Compliance</li> <li>•Food Quality, Safety, and Certification</li> <li>•Product Information and Labeling</li> <li>•Product Innovation and After-Sales Service</li> </ul>	Spokesperson System	Irregular
		Little Prince Living House (FB)	Irregular
		Irregular SMS or Telephone Communication	Irregular
Financial Institutions	<ul style="list-style-type: none"> <li>•Operational Performance</li> <li>•Corporate Governance</li> <li>•Regulatory Compliance</li> </ul>	Stakeholder Section on the Company Website	Irregular
		Regular Disclosure of Financial Statements/Annual Reports	Quarterly/Annual

Table 4-3 The 2023 Directors' Continuing Education Status

Title	Name	Elected (inauguration) Date	Advancement Date		Organizer	Course Title Course name	Training Hours
			From	To			
Managing Director	Chen, Kung-Pin	2021/07/14	2023/09/04	2023/09/04	Financial Supervisory Commission, R.O.C.	The 14th Taipei Corporate Governance Forum	6
Independent Director	Chiang, Wen-Chang	2021/07/14	2023/04/27	2023/04/27	Taiwan Stock Exchange Co., Ltd.	Listed Companies Sustainable Development Action Plan Promotion Meeting	3
			2023/09/04	2023/09/04	Financial Supervisory Commission, R.O.C.	The 14th Taipei Corporate Governance Forum	6
Managing Director	Kan, Chin-Yu	2021/07/14	2023/05/18	2023/05/18	Securities & Futures Institute (SFI)	Advanced Practical Seminar for Directors, Supervisors (including Independent Directors), and Corporate Governance Officers	3
			2023/06/06	2023/06/06	The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Company Directors and Supervisors Training—Corporate Regulatory Compliance and Directors' Duties	3
Director	Chang, Rong-Jun	2021/07/14	2023/10/20	2023/10/20	Securities & Futures Institute (SFI)	2023 Insider Trading Prevention Promotion 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 Convenor	Liao, Chi-Fang	Please refer to page 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 page 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 2023 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.

**3.Information on the Meetings of the Remuneration Committee for the Most Recent Year and Up to the Publication Date of the Annual Report:**

Date & Session of the Remuneration Committee Meeting	Summary of the Motion	Results of Remuneration Committee Resolutions	The Company's handling of the Remuneration committee's opinion
4 <sup>th</sup> Meeting of 5 <sup>th</sup> Board Mar. 24, 2023	1.The Company's 2022 allocation plan for managerial personnel compensation. 2.The Company's 2022 allocation plan for directors' compensation.	All attending members agreed to pass the resolutions, which will be submitted to the Board of Directors for approval.	The Board of Directors approved and passed the resolutions.
5 <sup>th</sup> Meeting of 5 <sup>th</sup> Board Nov. 03, 2023	1.Review and evaluate the Company's compensation plan for directors and managerial personnel.	All attending members agreed to pass the resolutions	Report the resolution results to the Board of Directors.
6 <sup>th</sup> Meeting of 5 <sup>th</sup> Board Mar. 25, 2024	1.The Company's 2023 allocation plan for managerial personnel compensation. 2.The Company's 2023 allocation plan for directors' compensation.	All attending members agreed to pass the resolutions, which will be submitted to the Board of Directors for approval.	The Board of Directors approved and passed the resolutions.

Explanation: The Remuneration Committee held a total of 3 meetings during the most recent year and up to the publication date of the annual report, with all members attending in person.

**(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? (Listed companies should report the implementation status. This is not subject to compliance or interpretation.)	✓		<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 handling status is reported to the Board of Directors once a year, and the company's sustainable development information is disclosed through various channels (such as the website and Market Observation Post System).</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) Supervision by the Board of Directors:</p> <p>(1) The Company's "Sustainable Development Best Practice Principles," "Sustainability Policies, Systems, and Management Guidelines," and "Risk Management Policies and Procedures" are formulated and revised with the approval of the Board of Directors.</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											
			(2) The Company reports on the progress of sustainable development initiatives to the Board of Directors at least once a year. 3) Management Guidelines for Sustainable Development: (1) Strengthening Corporate Governance (2) Stakeholder Communication (3) Procurement Policies and Principles (4) Environmental Protection and Management 4) Sustainability Performance for 2022: The company's sustainability execution performance for 2022 was reported to the Board of Directors on November 10, 2023. The related implementation details are as follows: (1) Implementation of Sustainable Development Initiatives (2) Stakeholder Communication Implementation (3) Risk Management Operations (4) Information Security Management (5) Progress Report on Greenhouse Gas Inventory and Verification											
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) (Listed companies should report the implementation status. This is not subject to compliance or interpretation.)	✓		<div>(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.</div> <table><tr><th>Major Issues</th><th>Risk Assessment Items</th><th>Description</th></tr><tr><td rowspan="3">environmental risk</td><td>Regulations</td><td>■Build and switch to lower-polluting energy equipment. ■Reduced energy resource use produces a low greenhouse gas effect. ■Promote energy saving and carbon reduction</td></tr><tr><td>Climate Disaster</td><td>■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses ■An energy-saving and carbon reduction plan is proposed every year as a basis for implementation</td></tr><tr><td>Company Image</td><td>■Research on low-carbon production and green manufacturing ■Meet stakeholders' requirements for energy conservation, increase revenue, and invest in the development of energy-saving product packaging materials</td></tr></table>	Major Issues	Risk Assessment Items	Description	environmental risk	Regulations	■Build and switch to lower-polluting energy equipment. ■Reduced energy resource use produces a low greenhouse gas effect. ■Promote energy saving and carbon reduction	Climate Disaster	■Prevent extreme climate changes at any time, and how to reduce the probability of operational interruption and possible losses ■An energy-saving and carbon reduction plan is proposed every year as a basis for implementation	Company Image	■Research on low-carbon production and green manufacturing ■Meet stakeholders' requirements for energy conservation, increase revenue, and invest in the development of energy-saving product packaging materials	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
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	yes	no	Summary explanation	
			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 the company's occupational safety and health policy.</li> <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>
			Product Safety	<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>
			Labor Relations	<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>
			Corporate Governance	
			Internal Control and Legal Compliance	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.

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3.Environmental issues										
(1) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(1) The Company complies with the regulations of the food manufacturing industry, establishing operational management procedures for controlling and preventing pollution related to air pollution, water pollution, and waste management. The company adheres to environmental protection laws and regulations, commissioning externally registered environmental protection agencies for water quality testing of discharge water and waste disposal companies for the removal of unusable waste.	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.						
(2) Does the Company strive to improve energy use efficiency and utilize low environmental impact renewable materials?	✓		(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) In 2023, the proportion of recycled paper material used in purchased packaging materials, such as cartons, was 93.00% (compared to 93.31% in 2022). Recyclable packaging materials accounted for 97.57% of the total packaging material used (compared to approximately 96.84% in 2022).							

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(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>2) In 2023, the electricity consumption intensity was 3.716 kWh per million dollars, which represents an increase of approximately 1.45% compared to 2022.</p> <p>3) In 2023, the fuel oil consumption intensity was 0 liters per million dollars (no fuel oil has been used since 2022).</p> <p>4) In 2023, the natural gas consumption intensity was 1.076 cubic meters per million dollars, which represents an increase of approximately 4.57% compared to 2022.</p> <p>5) In 2023, the total energy savings amounted to 1,968.699 GJ, equivalent to 118.566 metric tons of CO<sub>2</sub>e emissions (compared to 1,149.155 GJ of total energy savings and 52.758 metric tons of CO<sub>2</sub>e emissions in 2022).</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> <table><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><tr><td rowspan="2">Regulatory Compliance</td><td>Competent authorities enter the factory to check carbon emissions, waste water, etc.</td><td>■ Limited capacity expansion and increased operating costs;</td><td>■ Establish and transition to the use of lower-pollution energy equipment.</td></tr><tr><td>Environmental Protection Declaration and inspection of pollution sources related to environmental protection</td><td>■ Increased costs of installing and operating carbon reduction equipment</td><td>■ Reduce greenhouse gas emissions generated from energy resource usage. ■ Conduct energy-saving and carbon reduction advocacy.</td></tr><tr><td>Climate Disasters</td><td>Typhoons, floods, droughts, global temperature rise, etc. - Production disruption leading to financial losses and decreased revenue</td><td>■ Production is affected, resulting in financial losses and revenue declines; ■ Increased electricity consumption, resulting in higher costs and carbon emissions</td><td>■ Continuously prevent extreme climate change and address ways to reduce the probability of operational disruptions and potential losses. ■ Present annual energy-saving and carbon reduction plans as the basis for implementation.</td></tr><tr><td>Company Image</td><td>Development of low-carbon/green products -</td><td>■ Increased costs in developing</td><td>■ Research on low-carbon production and</td></tr></table>	Climate Change Risk Assessment				Assessment Area	Related Issues	Positive Impacts	Response Strategies:	Regulatory Compliance	Competent authorities enter the factory to check carbon emissions, waste water, etc.	■ Limited capacity expansion and increased operating costs;	■ Establish and transition to the use of lower-pollution energy equipment.	Environmental Protection Declaration and inspection of pollution sources related to environmental protection	■ Increased costs of installing and operating carbon reduction equipment	■ Reduce greenhouse gas emissions generated from energy resource usage. ■ Conduct energy-saving and carbon reduction advocacy.	Climate Disasters	Typhoons, floods, droughts, global temperature rise, etc. - Production disruption leading to financial losses and decreased revenue	■ Production is affected, resulting in financial losses and revenue declines; ■ Increased electricity consumption, resulting in higher costs and carbon emissions	■ Continuously prevent extreme climate change and address ways to reduce the probability of operational disruptions and potential losses. ■ Present annual energy-saving and carbon reduction plans as the basis for implementation.	Company Image	Development of low-carbon/green products -	■ Increased costs in developing	■ Research on low-carbon production and	
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(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?	✓		<table><tr><td></td><td></td><td>low-carbon/green products</td><td>green manufacturing.</td></tr><tr><td></td><td>Impact on company image</td><td>■Inability to meet stakeholders' expectations, causing damage to the company's reputation or image.</td><td>■Meet stakeholders' requirements for energy efficiency, increase revenue, and invest in the development of energy-saving product packaging.</td></tr></table> <p>(4) Environmental Protection (including waste and wastewater) in our company:</p> <p>■The policy is "Environmental Prevention and Sustainable Development" in compliance with environmental protection regulations.</p> <p>■The management principles and objectives include implementing pollution source permit management, promoting reduction of air pollution emissions, enhancing resource recycling, promoting the reuse of business waste, strengthening management of business waste flow, and ensuring compliance with national discharge standards for wastewater treatment.</p> <p>■The commitment and responsibility include "Post 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>Statistical Results of Greenhouse Gas Emissions, Water Consumption, and Total Waste Weight for 2023 and 2022 (Boundary Setting: Headquarters and Fongtien Plant), the details are as follows:</p> <table><tr><th>Item</th><th>2023</th><th>2022</th></tr><tr><td>Scope 1 Total Emissions</td><td>6,510.680 metric tons CO<sub>2</sub>e / year</td><td>5,754.821 metric tonsCO<sub>2</sub>e / year</td></tr><tr><td>Scope 2 Total Emissions</td><td>4,049.282 metric tons CO<sub>2</sub>e / year</td><td>4,247.463 metric tons CO<sub>2</sub>e / year</td></tr><tr><td>Total Greenhouse Gas Emissions</td><td>10,559.962 metric tons CO<sub>2</sub>e / year</td><td>10,013.070 metric tons CO<sub>2</sub>e / year</td></tr><tr><td>Greenhouse Gas Intensity</td><td>4.798 metric tons / NT\$ million</td><td>4.395 metric tons / NT\$ million</td></tr><tr><td>Water Consumption</td><td>295.075 million liters</td><td>311.942 million liters</td></tr><tr><td>Non-Hazardous Waste</td><td>648.4 metric tons</td><td>561.1 metric tons</td></tr><tr><td>Hazardous Waste</td><td>2.7 metric tons</td><td>6.7 metric tons</td></tr><tr><td>Waste Generation Intensity</td><td>0.29 metric tons / NT\$ million</td><td>0.25 metric tons / NT\$ million</td></tr></table>			low-carbon/green products	green manufacturing.		Impact on company image	■Inability to meet stakeholders' expectations, causing damage to the company's reputation or image.	■Meet stakeholders' requirements for energy efficiency, increase revenue, and invest in the development of energy-saving product packaging.	Item	2023	2022	Scope 1 Total Emissions	6,510.680 metric tons CO <sub>2</sub> e / year	5,754.821 metric tonsCO <sub>2</sub> e / year	Scope 2 Total Emissions	4,049.282 metric tons CO <sub>2</sub> e / year	4,247.463 metric tons CO <sub>2</sub> e / year	Total Greenhouse Gas Emissions	10,559.962 metric tons CO <sub>2</sub> e / year	10,013.070 metric tons CO <sub>2</sub> e / year	Greenhouse Gas Intensity	4.798 metric tons / NT\$ million	4.395 metric tons / NT\$ million	Water Consumption	295.075 million liters	311.942 million liters	Non-Hazardous Waste	648.4 metric tons	561.1 metric tons	Hazardous Waste	2.7 metric tons	6.7 metric tons	Waste Generation Intensity	0.29 metric tons / NT\$ million	0.25 metric tons / NT\$ million	
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4. Social issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?	✓		(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	The operating conditions listed on the left comply with the Sustainable Development Best Practice																																			



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(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>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 has established and implemented a comprehensive employee welfare system, which includes wages higher than the statutory minimum and salaries based on living standards and industry levels. Compensation is determined according to education, experience, professional skills, job nature, and responsibilities, without discrimination based on gender, region, race, or political stance. The Company comply with the Labor Standards Act regarding working hours, leave systems, and the calculation of overtime pay and compensation for unused leave. The Employee Welfare Committee offers various benefits, including wedding and funeral subsidies, holiday and birthday gifts, travel subsidies, and health checkups.</p> <p>Additionally, our company's articles of association include provisions for the distribution of employee compensation. If the Company makes a profit for the year, 2% of the profit is allocated as employee compensation. The Company has a retirement plan in accordance with the Labor Standards Act, with benefits superior to the statutory requirements. We contribute 15% of the total monthly salary to a retirement fund, which is deposited in a dedicated account at the Taiwan Bank Trust Department. The "Labor Pension Act," effective from July 1, 2005, introduces a defined contribution retirement plan. Employees may choose to continue under the retirement provisions of the "Labor Standards Act" or adopt the new pension system, retaining their service years prior to the new system. For those choosing the old system, the aforementioned retirement plan applies. For those opting for the new system, the company contributes 6% of the employee's monthly salary to the "Labor Individual Account" at the Bureau of Labor Insurance. Employees can also voluntarily contribute up to 6% of their monthly salary to their individual retirement accounts.</p>	Principles for TWSE/GTSM Listed Companies.
(3) Does the company provide a safe and healthy working environment for its employees and conduct regular safety and health education for them?	✓		<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</p>	

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			<p>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 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) In 2023, the number of recordable occupational injuries was 7, with a recordable occupational injury rate of 1.625.</p> <p>4) The Company's Safety and Health Committee includes a "Fire Prevention Manager" as a member. The Company also participate in the regional joint defense organization of the industrial zone. Each year, the Company conduct educational training and live drills to prevent disasters. As a result, in 2023, there were no incidents of fire, no casualties, and the casualty rate among the total number of employees was 0%.</p>	

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(4) Has the company established an effective career development training program for its employees?	✓		<p>(4) The company formulates employee education and training plans every year and conducts internal and external training based on actual conditions to strengthen employees' own ability development and professional capabilities.</p> <p>Regarding factory safety and health education, the following are: (1) After new employees report for work, they will first receive at least three hours of pre-employment training from the safety and health section. After arriving at each unit, they will receive at least three hours of work safety instruction before they can start work; (2) ) The quality control section arranges two safety and health education trainings every year, with the safety and health section chief as the lecturer, to train junior employees and employees who have recently suffered occupational accidents to strengthen safety and health concepts and hazard prevention awareness; (3) For those who are engaged in For places with special chemicals, organic solvents, anoxic operations, and roof operations, supervisors of the above-mentioned types of operations must be trained in accordance with regulations, obtain certificates, and participate in on-the-job training in accordance with regulations; (4) Those engaged in operating forklifts with a load of more than one ton, Personnel working on fixed cranes, boilers, and Type I pressure vessels must be trained and obtain certificates in accordance with regulations, and must participate in on-the-job training in accordance with regulations. In this regard, the company strictly prohibits personnel without certificates from operating the aforementioned machinery and equipment. In addition, year 2023 annual training status analysis (1) Compliance and legal courses total 90 hours, professional and technical courses total 535.5 hours, and management functional courses total 2037 hours.</p>	
(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>(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>	

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>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 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</p>	

Evaluation items	Operation status (Note 1)			Deviations from "Corporate Governance Best-Practice Principle for TWSE/GTSM Listed Companies" and Reasons
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			<p>environment and occupational health and safety. The supplier evaluation management guidelines include assessment policies for material management, process control, food safety and traceability management, and service. The Company use a common hygiene management reference checklist to evaluate suppliers, ensuring they comply with relevant legal obligations and national food regulations. Suppliers must also adhere to health regulations, conduct regular employee health checks, and prioritize workers' working environments and occupational safety and health.</p> <p>In 2023, the Company conducted transactions with 175 domestic suppliers for raw materials and 13 contract manufacturers, totaling 188 suppliers. We conducted on-site visits to 70 suppliers, accounting for 37.20% of the total evaluated suppliers, with one supplier deemed non-compliant (graded as C). Among the new suppliers in 2023, we conducted on-site visits to 8, eliminating one supplier, and the remaining passed the evaluation, resulting in an 87.50% passing rate.</p>	
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?	✓		<p>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.</p> <p><a href="https://www.vewong.com/ec99/ushop20069/profile_12.asp">https://www.vewong.com/ec99/ushop20069/profile_12.asp</a></p>	The operating conditions listed on the left comply with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies.
<p>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:</p> <p>In March 2016, the board of directors of the company approved the "Sustainable Development 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.</p>				
<p>7. Other important information to understand the implementation of Sustainable Development:</p> <p>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</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	
			<p>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.</p> <p>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></p> <p>3. In 2023, the Company participated in social and cultural development activities by providing sponsorship and support through "our company's product materials" for 23 events.</p> <p>4. In 2023, the Company's products received recognition in competitions, including the "Dian Dian Eat Zha Jiang Beef Noodles," which won the New Taste Award in the "2023 New Taste Food Trend Selection" organized by the Industrial Development Bureau of the Ministry of Economic Affairs.</p> <p>5. In 2023, the Company organized a public welfare event: The "Little Prince Doodle Drawing Competition," a grand annual event held by the company, celebrated its 10th edition this year (2023). Over the past decade, the competition has received nearly 40,000 entries, showcasing the limitless creativity and imagination of the participants. In 2023, for every qualifying entry, VE WONG donated NT\$10 to the "Taiwan Society for the Prevention of Cruelty to Animals (TSPCA)." This year, the competition received a total of 7,326 qualifying entries (compared to 5,928 in 2022), an increase of 23.58% from the previous year. Additionally, in line with our commitment to donate NT\$10 per entry, the Company increased the donation to NT\$100,000 to the "Taiwan Society for the Prevention of Cruelty to Animals."</p>	

Note 1: If the implementation status is checked "Yes," please specify the important policies, strategies, measures, and implementation details adopted. If the implementation status is checked "No," please explain the differences and reasons in the "Differences and Reasons Compared to the Sustainable Development Best Practice Principles for Listed Companies" column, and describe the future plans for adopting relevant policies, strategies, and measures. However, for the promotion of items one and two, listed companies should detail the governance and supervision structure for sustainable development, including but not limited to the formulation of management guidelines, strategies, and objectives, as well as the review measures. Additionally, the company should describe its risk management policies or strategies related to environmental, social, and corporate governance issues pertinent to operations, and the assessment of these policies or strategies.

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.

Note 3: For disclosure methods, please refer to the best practice examples on the Taiwan Stock Exchange Corporate Governance Center website.

## Climate-Related Information of TWSE/TPEX Listed Company

### 1. Implementation of Climate-Related Information

Item	Implementation Status						
Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	To address the high uncertainty of climate change and the rapid changes in policies and markets, and to timely grasp and estimate the potential impacts of climate change, our company passed the "Risk Management Policy and Procedures" at the 7 <sup>th</sup> meeting of the 22 <sup>nd</sup> Board of Directors on November 11, 2022. This policy serves as the highest guiding principle for risk response. Article 8 states: "The Company should actively establish risk management awareness and dynamically adjust in response to environmental changes." This includes governance related to climate-related risks and opportunities. The governance structure and personnel are promoted and executed by the company's Sustainable Development Executive Committee (organization chart detailed on page 9 of this report). Based on the scope of business and operational development status, the committee conducts comprehensive assessments of climate change risks and opportunities and formulates appropriate response strategies to mitigate operational impacts caused by climate factors. This enhances the organization's resilience to climate impacts. An annual report on the implementation status is submitted to the Board of Directors. Additionally, the audit supervisor reports annually to the "Audit Committee" on the internal control implementation status and audit findings related to climate-related risks. Internal audits focus on the execution of internal controls for climate-related risks and report any findings.						
Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	In responding to climate-related risks and opportunities, our organization's business, strategy, and financial planning are impacted both actually and potentially. To mitigate these impacts and adapt to climate change, we follow a management strategy aligned with a low-carbon transition pathway based on our production capabilities and characteristics. This approach aims to reduce the effects of climate change, enhance resilience to climate-related disasters, and demonstrate organizational flexibility. Additionally, by implementing measures to save energy and reduce resource consumption, we aim to effectively lower climate risks and provide more energy-efficient, low-carbon products and services. Our goals for low-carbon transition in energy and resource management are structured into short-term, medium-term, and long-term objectives. According to our internal target management schedule, the impact periods are defined as follows: less than three years is short-term, three to five years is medium-term, and more than five years is long-term.						
Describe the impact of Extreme Climate Events and Transition Actions on Finances	Risk and Opportunity	Risk Issue	Potential Impact	Financial Impact	Impact Period	Adaptation Management Response	Management Objective
	Physical Risk	Extreme Climate Events Causing Interruptions to Power, Water Supply, or Supply Chain	<ul style="list-style-type: none"> <li>• Imbalance in the supply of raw materials.</li> <li>• Increased storage days for raw materials and products.</li> <li>• Damage to plant facilities and loss of raw materials/products.</li> <li>• Transportation difficulties due to road disruptions.</li> <li>• Production impact due to power or water outages.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased storage costs due to the need for additional warehouse rentals.</li> <li>• Higher transportation costs due to road disruptions.</li> <li>• Asset impairment and increased operational costs due to damage to equipment, raw materials, and products, leading to reduced revenue.</li> </ul>	Short-term (less than 3 years)	<ul style="list-style-type: none"> <li>• Develop contingency plans for production process adjustments.</li> <li>• Establish emergency response and risk assessment mechanisms.</li> <li>• Insure the plant against disaster losses to mitigate impacts.</li> <li>• Continuously monitor extreme climate changes and devise strategies to reduce the probability of operational interruptions and potential losses.</li> </ul>	Annually report and review the effectiveness of energy-saving and carbon reduction measures.

Item	Implementation Status						
	Risk and Opportunity	Risk Issue	Potential Impact	Financial Impact	Impact Period	Adaptation Management Response	Management Objective
	Transition Risk	Changes in customer consumption behavior, market information uncertainty, and shifts in consumer preferences due to climate change.	<ul style="list-style-type: none"> <li>Climate change may cause price hikes and market supply information chaos, making it difficult to grasp</li> <li>With climate change, inflation in consumer goods may occur, leading consumers to further change their purchasing intentions under this pressure</li> </ul>	<ul style="list-style-type: none"> <li>Inflation factors increase the cost of procuring raw materials</li> <li>Increased diversity of raw material sources, leading to higher procurement costs</li> <li>Slower or delayed product inventory turnover</li> <li>Unpredictable costs associated with reducing the probability of operational interruptions and potential losses</li> </ul>	Medium-term (3 to 5 years)	<ul style="list-style-type: none"> <li>Develop strategies to enhance supply chain stability</li> <li>Plan for alternative raw materials and their development</li> <li>Regularly monitor the status of suppliers' sources</li> </ul>	Continuously monitor changes in the raw material market trends and the supply status of suppliers
	Transition Risk	Changes in government regulations and policies	<ul style="list-style-type: none"> <li>Adaptation and adjustment to new government regulations</li> <li>Inspections and reporting requirements by regulatory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Limited capacity expansion and increased operational costs</li> <li>Increased costs for setting up and operating carbon reduction equipment</li> </ul>	Long-term (more than 5 years)	<ul style="list-style-type: none"> <li>Establish and transition to using lower-pollution energy equipment</li> <li>Reduce greenhouse gas emissions from energy resource usage</li> </ul>	Upgrade equipment and promote energy-saving and carbon reduction initiatives
	Opportunity	1. Further understanding of the Company's resilience in the face of climate changes. Improving internal awareness and response management capabilities regarding climate change. 2. Allocating Company resources and attention to the most urgent risk improvements. Enhancing the company's operational efficiency. 3. Shifting focus to explore new markets and develop new products. Strengthening the Company's exploration and innovation efforts.					



Item	Implementation Status
Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	<p>To understand the impact of climate change on the company, climate-related risks and issues in the food manufacturing industry are collected, screened, and consolidated. The impact of these risks and opportunities is then assessed from different perspectives, using a comprehensive evaluation of the likelihood and severity of the impact to complete the identification of climate change risk issues. The process is outlined as follows:</p> <ul style="list-style-type: none"> <li>• Collect climate-related risks and issues in the food manufacturing industry.</li> <li>• Screen and consolidate related risks and issues.</li> <li>• Conduct a comprehensive evaluation of the likelihood and severity of the impact.</li> </ul> <p>Risk Management Procedures:</p> <ol style="list-style-type: none"> <li>1. The company's risk policy is executed by the Chairman or General Manager, who convenes the responsible units based on the type of risk. Emphasis is placed on comprehensive risk control by all employees, implementing layered prevention measures to effectively manage risks.</li> <li>2. Department heads and unit managers are responsible for conducting risk assessments and control measures in their daily management activities.</li> <li>3. The company convenes responsible and related units to discuss potential threats to business operations. External consultants are consulted as needed to assess risks and provide early prevention recommendations.</li> <li>4. The Audit Department actively supervises all executing units to ensure adherence to approved authorities and related management procedures, reinforcing risk management awareness and execution among all employees.</li> <li>5. The company regularly communicates with internal and external stakeholders regarding risk events and contingency plans related to those risks.</li> <li>6. In addition to current internal control regulations and related company policies, the company complies with relevant regulatory requirements from supervisory authorities.</li> </ol>
If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	The Company has not utilized scenario analysis to assess resilience in the face of climate change risks.
If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	<p>The Company integrates climate risk concepts into various operations and business activities by identifying potential climate risks or opportunities, analyzing their impacts, evaluating and determining countermeasures, and managing them based on their characteristics and levels of impact. This approach ensures effective control of risks and opportunities. In addition to the climate governance framework under the Board of Directors, senior management, and the Sustainable Development Executive Committee, we also follow the three lines of defense in internal control to manage risks:</p> <ol style="list-style-type: none"> <li>1. The responsible unit or personnel are initially tasked with identifying, assessing, and controlling risks.</li> <li>2. The General Manager chairs review meetings responsible for feasibility assessments, including the evaluation of various risks.</li> <li>3. The Audit Department conducts audits and submits reports to the Board of Directors and the Audit Committee. All meetings are recorded and tracked as needed for practical management.</li> </ol> <p><b>Indicators and Goals</b></p> <p>The Company will comply with government environmental protection, energy regulations, and requirements, and monitor the impact of climate change on business operations. We regularly review environmental and energy-saving goals and continuously improve environmental management performance. These activities serve as indicators and goals for evaluating and managing climate-related risks and opportunities.</p>

Item	Implementation Status
If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	The Company has not used internal carbon pricing as a planning tool.
If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>Environmental protection is an extremely important issue for individuals, families, companies, society, the nation, and the planet. As the Company face increasingly severe problems such as air pollution, water pollution, food contamination, greenhouse effects, acid rain, and noise pollution, it is not only us who are affected but also the next generation. Therefore, paying attention to environmental protection is essential for maintaining a healthy living environment, a healthy body, and preserving the beauty of nature and natural resources.</p> <p>To promote environmental awareness and achieve established environmental goals, our company addresses global warming, extreme climate conditions, energy conservation, safety and health, and conservation awareness. The Company also consider the impact of potential climate change-related regulations, climate disasters, and operational risks. The Company should evaluate our vulnerability and adaptability to these impacts and develop response strategies based on the "4R" principles: Reduce usage, Reuse waste, Recycle materials, and Replace with alternatives, to mitigate the potential impacts of climate change.</p> <p><b>Environmental Protection Management Guidelines and Objectives (Including Waste, Wastewater, etc.):</b></p> <ul style="list-style-type: none"> <li>• Implement pollution source permit management</li> <li>• Promote the reduction of air pollution emissions</li> <li>• Enhance resource recycling and reuse</li> <li>• Promote the reuse of industrial waste</li> <li>• Strengthen the management of industrial waste flows</li> <li>• Ensure wastewater treatment meets national discharge standards</li> </ul> <p><b>Energy-Saving Goals for 2024:</b></p> <ol style="list-style-type: none"> <li>1. <b>Electricity Savings:</b> Expected to save 16,425 kWh (Scope 2).</li> <li>2. <b>Natural Gas Savings:</b> Expected to save 30.756 thousand cubic meters (Km3) (Scope 1).</li> <li>3. <b>Total Energy Savings:</b> Expected to save a total of 1,307.356 GJ (Scope 1 + Scope 2).</li> </ol>
Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (These sections can be placed in 1-1 and 1-2 as required)	Please refer to the information as follow, Table 1-1 and 1-2

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

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

State the greenhouse gas emissions for the last two years (tons CO <sub>2</sub> e), intensity (tons CO <sub>2</sub> e per million dollars), and the scope of the data coverage.					
Total Greenhouse Gas Emissions from Energy Resource Usage (Including Headquarters and Factories)					
Greenhouse Gas Emissions by Type of Energy Resource			Usage (cubic meters/year)	Greenhouse Gas Emissions (metric tons CO <sub>2</sub> e/year)	Remarks
Direct (Note 1、2) Scope 1	Fuel Oil	2023	0	0	Note 1 The direct greenhouse gas emissions are calculated using the recommended values from the "Greenhouse Gas Emission Factor Management Table (Version 6.0.4, June 2019)" for the emission factors of various fuels (CO <sub>2</sub> , CH <sub>4</sub> , and N <sub>2</sub> O). Note 2 Metric tons of CO <sub>2</sub> e refer to metric tons of carbon dioxide equivalent. Note 3 The indirect greenhouse gas emissions for 2023 are calculated using the 2022 electricity carbon emission factor of 0.495 kgCO <sub>2</sub> e/kWh. (The 2022 emissions used the 2021 electricity carbon emission factor of 0.509 kgCO <sub>2</sub> e/kWh.) Note 4 Greenhouse gas emission intensity = total annual greenhouse gas emissions (metric tons of CO <sub>2</sub> e/year) / net revenue from self-manufactured products (million dollars). Note5 The method for consolidating greenhouse gases is operational control.
		2022	0	0	
	Gasoline	2023	11.209	25.366	
		2022	10.785	24.408	
	Diesel	2023	274.486	715.311	
		2022	276.403	720.306	
	LPG	2023	22.325	39.136	
		2022	30.128	52.811	
	Natural Gas	2023	2,369.106 (Thousand cubic meters)	5,730.867	
		2022	2,345.095 (Thousand cubic meters)	4,957.296	
Total Direct Greenhouse Gas Emissions		2023		6,510.680	
		2022		5,754.821	
Indirect (Note 3) Scope 2	Purchased Electricity	2023	8,180.367	4,049.282	
		2022	8,344.721	4,247.463	
Total Greenhouse Gas Emissions		2023		10,559.962	
		2022		10,013.070	
Net Revenue from Self-Manufactured Products		2023	NT\$2,201.1 million		
		2022	NT\$2,278.2 million		
Greenhouse Gas Emissions Intensity and Results (Note 4)		2023	4.798 metric tons per million dollars	An increase of 9.17% compared to year 2022.	
		2022	4.395 metric tons per million dollars		

Note 1: Direct emissions (Scope 1, i.e., emissions directly from sources owned or controlled by the company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions from the consumption of imported electricity, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions resulting from company activities, excluding energy indirect emissions, but originating from sources owned or controlled by other companies).

- Note 2: The scope of direct emissions and energy indirect emissions data should comply with the schedule set forth in Article 10, Paragraph 2 of these guidelines. Information on other indirect emissions may be disclosed voluntarily.
- Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).
- Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue; however, the data calculated based on revenue (NT\$ million) must at least be specified.

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

A statement detailing the assurance situation for the most recent two years as of the annual report publication date, including the scope of assurance, the assurance provider, the assurance standards, and the assurance opinion.
1. The Company's greenhouse gas inventory has been implemented since 2015, with the annual inventory results disclosed in our company's sustainability report. Verification is expected to be completed by 2028.
2. Domestic subsidiaries are expected to complete their greenhouse gas inventory by 2027 and the verification process by 2029.

- Note 1: In accordance with the schedule prescribed in Article 10, Paragraph 2 of this guideline, if the Company does not obtain a complete greenhouse gas assurance opinion by the annual report publication date, it should state, "Complete assurance information will be disclosed in the Sustainability Report". If the company does not prepare a Sustainability Report, it should state, "Complete assurance information will be disclosed on the Market Observation Post System", and include the complete assurance information in the following year's annual report.
- Note 2: The assurance provider must comply with the relevant regulations for sustainability report assurance providers as set by the Taiwan Stock Exchange Corporation and the Taipei Exchange.
- Note 3: The disclosed information can be referred to in the Best Practice Reference Examples available on the Taiwan Stock Exchange Corporate Governance Center website.

### **1-2. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans**

Specify the baseline year and data for greenhouse gas reduction, reduction targets, strategies and specific action plans, and the achievement status of the reduction targets.
(1) Energy-saving performance in 2023: Implemented six energy-saving projects, totaling 1,968.699 GJ in energy savings, equivalent to 118.566 metric tons of CO <sub>2</sub> e emissions (total energy savings in 2022 were 1,149.155 GJ, equivalent to 52.758 metric tons of CO <sub>2</sub> e emissions).
(2) Greenhouse gas reduction strategies and specific action plans: <ul style="list-style-type: none"> <li>• Support green energy procurement and prioritize the purchase of energy-efficient equipment.</li> <li>• Increase energy usage efficiency and continuously improve energy performance.</li> <li>• Comply with energy regulations and involve all employees in energy conservation and carbon reduction.</li> </ul>
(3) Energy-saving targets for 2024: <ul style="list-style-type: none"> <li>• Expected to save 16,425 kWh of electricity.</li> <li>• Expected to save 30.756 thousand cubic meters (Km<sup>3</sup>) of natural gas.</li> </ul>
(4) Total expected energy savings for 2024: 1,307.356 GJ.

- Note 1 The procedures should be carried out according to the schedule stipulated in Article 10, Paragraph 2 of these guidelines.
- Note 2 The baseline year should be the year when the inventory was completed based on the consolidated financial report boundary. For example, according to the order stipulated in Article 10, Paragraph 2 of these guidelines, companies with capital exceeding NT\$10 billion should complete the inventory for the 2024 consolidated financial report by 2025. Therefore, the baseline year would be 2024. If the company has completed the inventory of the consolidated financial report earlier, that earlier year can be used as the baseline year. Additionally, the baseline year data can be calculated based on a single year or an average of multiple years.
- Note 3 The disclosed information can be referred to in the Best Practice Reference Examples available on the Taiwan Stock Exchange Corporate Governance Center website.

**(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 2023. 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>✓</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>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</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	
(2) Has the company set up a dedicated unit under the board of directors to promote ethical corporate 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?	✓		(2) The company does not have a dedicated (part-time) unit under the board of directors to promote ethical corporate management. In the future, the feasibility of establishment will be evaluated based on the legal environment, the company's operating conditions and management needs.	is no major difference.
(3) Does the company have a conflict-of-interest prevention policy to provide appropriate channels for explaining and implementing it?	✓		(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 2023.	
(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?	✓		(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.	
(5) Does the company regularly conduct internal and external ethical corporate management?	✓		(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.	

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	
3.Operation of the company's accusation system (1) Does the company have a specific accusation and reward system, establish a convenient accusation channel, and assign appropriate personnel to the accused person? (2) Has the company established the standard operating procedures for the investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism? (3) Does the company take measures to protect the accuser from improper treatment due to the accusation?	✓  ✓  ✓		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 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.	The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
4.Enhancement of information disclosure (1) Does the company disclose the content and promotion effect of its ethical corporate management best practice principles on its website and the MOPS?	✓		The company discloses its "Ethical Corporate Management Best Practice Principles" related information on its website and the MOPS.	The operations listed on the left comply with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
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:  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."				
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)  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.				

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	Taiwan Stock Exchange	Promotion Conference for the Sustainable Development Action Plan of Listed Companies	2023/04/27	2023/04/27	6.0
2	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Training Program (Northern Region) - Corporate Low-Carbon Transition Strategies	2023/08/17	2023/08/18	9.0

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. 28, 2024

The Company inspected the 2023 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, 2023) 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 28, 2024, 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
2023	2023/06/28	1. Approved 2022 business report and financial statements.  2. Approved the proposal for distribution of 2022 profits.	1. The form has been submitted to the competent authority for review and announcement in accordance with the Company Act and other relevant laws and regulations.  2. The cash dividend of NT\$1.1/ per share was distributed on October 5, 2023.

2. Board of Directors

Term of the Meeting	Date	Discussions and Resolutions
9 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/03/15	1. Approved the company's 2022 self-concluded financial information.
10 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/03/29	1. Approved the 2022 employee compensation issues and the amount of Manager staff compensation. 2. Approved the 2022 Director's remuneration rate and amount. 3. Approved the 2022 distributing remuneration amount of Non-independent Directors. 4. Approved 2022 distributing remuneration amount of independent Directors. 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". 6. Approved the proposal of the 2022 "Internal Control System Declaration". 7. Approved of the amendments to some articles of the "Code of Practice on Corporate Governance". 8. Approved 2022 consolidated financial statements, individual financial statements, and business reports. 9. Approve the proposal for distribution of 2022 profits. 10. Approved the 2023 appointment of the certified accountant, certified accountant's remuneration, and accountant's independence assessment. 10. Approved the amendment of some provisions of the articles of association of the company. 11. Approved the proposal to convene the 2023 shareholders' meeting. 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. 13. Approved the appointment of Mr. Lin Huo-Yi as the consultant of the company.

Term of the Meeting	Date	Discussions and Resolutions
11 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/05/12	1. Approved the nomination of candidates to participate in the election of directors and supervisors at Hughes Company's 2023 shareholders' meeting.
12 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/05/19	1. Approved participation in Hughes Company's cash capital increase and subscription of newly issued shares, and subscribed to the undersubscribed new shares as a specific person.
13 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/06/12	1. Approved the decision not to participate in the bidding for the residential land in Zhuweizi Section, Chiayi City, announced by the National Property Administration.
14 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/08/11	<ol style="list-style-type: none"> <li>1. Approved the determination of the record date for the distribution of cash dividends and interest for the year 2022.</li> <li>2. Approved the application for comprehensive credit facilities, short-term secured loans, and export credit renewal with Cooperative Bank Dadaocheng Branch.</li> <li>3. Approved the application for comprehensive credit facilities and export credit renewal with Cooperative Bank Zhongshan Branch.</li> <li>4. Approved the application for comprehensive credit facilities renewal with Mega International Commercial Bank Zhongshan Branch.</li> <li>5. Approved the application for comprehensive credit facilities and export credit renewal with First Commercial Bank Zhongshan Branch.</li> <li>6. Approved the application for mortgage loans and export credit renewal with Hua Nan Commercial Bank Head Office.</li> <li>7. Approved the application for comprehensive credit facilities and import/export credit renewal with Taiwan Business Bank Zhongshan Branch.</li> </ol>
15 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2023/11/10	<ol style="list-style-type: none"> <li>1. Approved the audit plan for the year 2024.</li> <li>2. Approved the write-off of related accounting items in the financial statements of the company regarding the investment case in Indonesia VE WONG Company.</li> <li>3. Approved the application for comprehensive credit facilities and export credit renewal with Bank of Taiwan Zhongshan Branch.</li> <li>4. Approved the application for comprehensive credit facilities renewal with SinoPac Bank.</li> <li>5. Approved the renewal and reduction of the loan limit for Tai Ve Co., Ltd. with the Company.</li> </ol>
16 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2024/03/14	<ol style="list-style-type: none"> <li>1. Approved the self-settled financial information for the year 2023.</li> <li>2. Approved the application for comprehensive credit facilities renewal with Bangkok Bank.</li> </ol>
17 <sup>th</sup> Meeting of 22 <sup>nd</sup> Term	2024/03/28	<ol style="list-style-type: none"> <li>1. Approved the distribution of employee compensation and the amount of compensation for each manager for the year 2023.</li> <li>2. Approved the distribution ratio and amount of director compensation for the year 2023.</li> <li>3. Approved the amount of compensation for non-independent directors for the year 2023.</li> <li>4. Approved the amount of compensation for independent directors for the year 2023.</li> <li>5. Approved the evaluation items and results of the effectiveness of the internal control system for the year 2023.</li> <li>6. Approved the statement of the internal control system for the year 2023.</li> <li>7. Approved the consolidated financial statements, individual financial statements, and business report for the year 2023.</li> <li>8. Approved the profit distribution table for the year 2023.</li> <li>9. Approved the appointment of the certifying accountant, their compensation, and the evaluation of their independence for the year 2024.</li> </ol>

Term of the Meeting	Date	Discussions and Resolutions
		10. Approved the election of the next term of directors. 11. Approved the convening of the 2024 Annual Shareholders' Meeting. 12. Approved the nomination of candidates to participate in the election of directors and supervisors for the next term at The World Champion Co., Ltd. 13. Approved the nomination of candidates to participate in the election of directors and supervisors for the next term at Tai Ve Co., Ltd. 14. Approved the nomination of candidates to participate in the election of directors and supervisors for the next term at Green Total Food Liquefaction Co., Ltd. 15. Approved the personnel promotion plan. 16. Approved the appointment of Mr. Lin Huo-Yi as an advisor to the Company.

**(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, 2023~ Dec.31, 2023	2,750	Tax Compliance Audit\ 380 Annual Report Review\ 120 Direct Deduction Check\ 120	3,375	
	Chang, Hui-Yu	Jan. 01, 2023~ Dec.31, 2023		Information check about salary of full-time employees who are not in a managerial position \5		

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 N/A

(2) About Successor Accountants N/A

(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 29, 2023 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

Evaluation items	evaluation result	Independence
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. (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.	no	yes
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	2023		As of April 30, 2024	
		Shares increase (decrease)	Pledge shares increase (decrease)	Shares increase (decrease)	Pledge shares increase (decrease)
Chairman	Great Pacific Navigation Co, Ltd.	0	0	0	0
	Representative / Chen, Ching-Fu	107,000	0	37,000	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	16,748,327	6.978%	—	—	—	—	—	—	
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, 2023  
Unit/ Thousand shares /%

Investees (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%

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, 2024

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, 2024

Shareholder structure Quantity	Government apparatus	Financial organization	Other juridical persons	Individuals	Foreign institution or foreigner	Total
Number of persons	0	6	240	47,477	77	47,800
Shares	0	19,050	186,764,584	47,469,722	5,746,644	240,000,000
Shareholding Percentage (%)	0.00%	0.01%	77.82%	19.78%	2.39%	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, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Number of Shares Owned (Shares)	Shareholding ratio(%)
1 ~ 999	44,254	1,765,143	0.74 %
1,000 ~ 5,000	2,840	5,256,413	2.19 %
5,001 ~ 10,000	320	2,298,273	0.96 %
10,001 ~ 15,000	122	1,476,815	0.62 %
15,001 ~ 20,000	49	877,612	0.37 %
20,001 ~ 30,000	58	1,438,890	0.60 %
30,001 ~ 40,000	26	910,641	0.38 %
40,001 ~ 50,000	10	441,185	0.18 %
50,001 ~ 100,000	33	2,356,492	0.98 %
100,001 ~ 200,000	21	2,942,802	1.23 %
200,001 ~ 400,000	15	4,096,292	1.71 %
400,001 ~ 600,000	11	5,852,390	2.44 %
600,001 ~ 800,000	5	3,494,778	1.46 %
800,001 ~ 1,000,000	3	2,694,097	1.12 %
1,000,001 and above	33	204,098,177	85.04 %
Total	47,800	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, 2024

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.		16,748,327	6.978%
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	2022	2023	As of April 30, 2024
Market price per share (Note 1)	Highest			36.90	57.00	59.50
	Lowest			30.15	34.40	45.80
	Average			33.18	41.83	53.47
Net value per share	Before distribution			23.06	24.04	-
	After distribution			21.96	22.94	-
Earnings per share	Weighted Average Outstanding Shares			237,706	237,706	-
	EPS			2.63	1.80	-
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)			12.62	23.24	-
	Price / Dividend Ratio(Note 3)			30.16	38.03	-
	Cash Dividend Yield Rate(Note 4)			0.033	0.026	-

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 2023 earnings distribution proposal has been resolved by the board of directors, with a cash dividend of NT\$1.1 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 2023 after-tax net profit is NT\$427,699,917. 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\$47,540,469 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 26, 2024.

## **(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 2023, the Company's estimated employees' remuneration and directors' remuneration were NT\$11,415,455 and 17,123,183, 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 2023, the reasons and the treatment situation: There is no difference with the amount of expenses recognized in the financial statements of 2023.
4. The actual distribution of remuneration for employees and directors in the previous year:
  - The amount of employees' remuneration and directors' remuneration for 2022 was NT\$14,666,203 and NT\$21,999,304, respectively, both of which were paid in cash. The aforementioned employees' remuneration and directors' remuneration were expensed in 2022, and the book amounts are no different from the amounts proposed by the board meeting on March 29, 2023.

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

In 2023 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 2023 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 noodle packets and instant noodle cup/bowl 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) Various flavors of instant noodle packets and cup/bowl noodles series
- (3) Personalized instant meal kits series

**(2) Industry Overview**

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

According to the analysis by the Food Research Institute in the "ITIS Industry Analysis - Review and Outlook of Taiwan's Food Industry for the Fourth Quarter and Full Year of 2023," the total production value of Taiwan's food industry in 2022 was estimated to be around NT\$982.5 billion, an increase of 3.25% compared to the previous year. The subsectors with the highest production values include animal feed manufacturing, slaughtering, animal and vegetable oils and fats manufacturing, other unclassified food manufacturing, and meat processing and preservation industries. Among these, the chocolate and confectionery manufacturing and sugar manufacturing industries saw relatively significant growth in production value.

Food, being an essential commodity, comes in diverse and varied forms. In the face of global climate change, geopolitical tensions, and the high uncertainty and adjustments in the international economic and trade environment, the food supply chain is under considerable pressure. The integration of cross-industry technologies such as food technology and generative AI is rapidly transforming the food supply chain and dining demands. Having resilience in operational transformation and agile response capabilities has become a new competitive edge for the industry. According to the Directorate-General of Budget, Accounting





and Statistics (DGBAS), Taiwan's economic growth rate is projected to be 3.35%. With the slowdown in economic growth and high uncertainty, maintaining a high-quality and joyful life through food presents a business opportunity for the food industry in 2024. The ITIS team forecasts that the production value of Taiwan's food industry has the potential to grow by 3.45% in 2024, surpassing NT\$1 trillion. The key to the future of the food industry lies in steadily creating customized and high-value dietary demands.

## 2. Food Industry Trends

According to observations by the ITIS team of the Food Research Institute, after exploring and redefining the environment, products, and markets in 2023, the global industry will strengthen two major themes in 2024: "Efficient Operations" and "Joyful Celebration." From the key positioning of "Latitude Expression," six major trend actions will emerge, including:

Experimentation: Accelerated System Transformation.

Affordable Luxury: Challenging Demand Imagination

Contextual Integration: Immersion in Daily Life

Technology: Unveiling Magical Power

Green Practices: Addressing Overarching Scope

Human-Machine Collaboration: Enhancing Precision and Progress

The food industry relies heavily on human resources, and the transition to standardized and automated processes is relatively complex and challenging to implement. With an aging population, low birth rates, labor shortages, and increased self-awareness among employees, along with rising demands for supply chain decarbonization and a friendly working environment, the industry faces several challenges. Additionally, consumers are increasingly seeking healthier, more nutritious, diverse, and customized food experiences. Finding solutions to operational issues or highlighting one's significance and value within the supply chain will be crucial. In 2024, the refinement of practices and business models among domestic food supply chain companies will become more flexible and diverse, addressing these emerging demands and challenges.

## 3. Product Development Focus

- 1) **Simple Ingredients:** The trend towards clean and healthy eating is irreversible. Products with simple, clean ingredients are likely to receive positive recognition from consumers.
- 2) **Diverse Applications and Nutritional Presentation of Plant-Based Ingredients:** Whether for vegetarian or low-carbon demands, domestic consumer needs are still unmet. Opportunities exist for new brands and products, innovative applications of plant-based ingredients, and enhanced nutritional supplements for vegetarians.
- 3) **Refined Consumer Segmentation:** From product development to marketing, food and services that can be segmented and targeted are more valuable. Providing detailed products and services tailored to different age groups, physical and mental conditions, and behavior patterns can effectively serve precise customer groups.



#### 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
2022	NTD 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.</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>HOWSLER FOODS CO., LTD. - instant noodles.</p> <p>▪Snack noodles -</p> <p>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</p> <p>NENE CHICKEN-cheese flavor (launched in April 2022), spicy cheese flavor (launched in April 2022).</p> <p>CHARMING FOOD INTERNATIONAL MARKETING CO., LTD: Snack noodles co-branding (mass production in October 2022).</p> <p>▪Export -</p> <p>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 ribs with chinese herbs (will be launched in June 2023).</p> <p>▪Improved quality: Raw material modification-</p> <p>ZIMI CHEMICALS CO., LTD. – salt (spare part).</p> <p>NIKKEN FOODS TAIWAN CO., LTD. –replacement of soy sauce powder (A-318).</p> <p>YIH YUAN FOOD CO., LTD. - replacement of mushroom powder (MW-12833).</p> <p>HONHSIANG FARM PRODUCTS FACTORY - toona sinensis powder (spare part).</p> <p>GEM FONT CORPORATION - wheat gluten (spare part).</p> <p>Ve Wong CO., LTD. - sunflower oil A-ONE (spare part).</p> <p>Export to EU and AU - complies with regulations in EU (ingredient).</p> <p>Instant noodles export to EU - complies with regulations in EU (ingredient), using non-irradiation and non-EtO (ethylene oxide) of raw material.</p> <p>UNION FOOD CO., LTD – replacement of guar gum.</p> <p>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.</p> <p>Instant noodles (bowls)(exports) - replacement of 750 c.c. paper bowl.</p> <p>Beef flavor instant noodle (bag)(export products, U.S. included) – improvement of formula ingredient.</p> <p>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 sinensis soybean paste (glutinous rice flour) for GU WANG FOOD INDUSTRY CO., LTD.</p> <p><b>Flavor Seasoning :</b></p> <p>▪ Improved quality:</p> <p>Ve Wong CO., LTD.- IG-Enriched plus monosodium glutamate (Export, 500g × 12boxes) (formula ingredient).</p> <p>VEDAN Enterprise Corporation - monosodium glutamate (XFM grade) (new specification).</p> <p><b>Fast Foods/Instant Soups :</b></p> <p>▪Fast Foods—</p>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>Milkfish fillet with curry, milkfish fillet with bamboo shoots.</p> <p>▪ Porridges – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa, porridge with milkfish belly.</p> <p>▪ Large Packages – Milkfish belly with bamboo shoots, spicy soup with duck blood &amp; tofu.</p> <p>▪ 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.</p> <p>▪ Seaweed soup – Laver seaweed.</p> <p>▪ OEM Products – NIANG JIA – Porridge with chicken and red quinoa, porridge with salmon and red quinoa, porridge with vegetables and red quinoa. Royal Chef International Co., Ltd. – Pork intestines fire pot, mapo tofu sauce. Vedan Enterprise Corporation – Yipin beef (mass production in May 2022), Gopin braised beef (mass production in June 2022).</p> <p>▪ OEM Products (TFL) – 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). 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.</p> <p>▪ Certification of products – Clean label (launched in March 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa, pumpkin soup, sweet taro soup. Eatender (launched in June 2022) : Porridge with chicken and red quinoa, porridge with salmon and red quinoa.</p> <p>▪ Improved quality : Raw material modification (spare part) – TOMAX ENTERPRISE CO., LTD.-ginger powder. JOFONT BIOTECHNOLOGY CO., LTD.- Clovetree Twig, black pepper granule. Add beef shank in Paraguay. Mowi Taiwan Co., Ltd.- salmon. Taiwan Kagome Co., Ltd.- tomato paste. Soybean oil (new specifications of packing).</p>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p><b>Soy Sauce :</b></p> <ul style="list-style-type: none"> <li>▪ Non-GMO brewing soy sauce — 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> <li>▪ Institutional packaging soy sauce — 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). Clean Label— Pure brew soy sauce, Clean Label— KIM VE WONG soy sauce, Clean Label— HOUSE WIFE soy sauce.</li> <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	NT\$ 8,464,051	<p><b>Instant Noodles</b></p> <ul style="list-style-type: none"> <li>▪ Bags- Beef with tomato flavor, spicy miso flavor, bak kut teh flavor, spicy seafood flavor, curry laksa flavor.</li> <li>▪ Bowls- (1100 c.c.) Whisky &amp; chicken flavor (launched in October 2023), whisky &amp; Chinese herbs flavor (launched in October 2023), curry laksa flavor (small volume production in February 2023), spicy miso pork flavor.</li> <li>▪ Big Bowls - Including retort pouch : braised beef flavor, spicy beef hot pot flavor, garlic pork flavor, tonkotsu chashu pork flavor, dried noodles of black pepper pork flavor, braised pork flavor, pickled mustard greens with beef flavor, chicken flavor, dried noodles of Italian tomato flavor. Without retort pouch : dried noodles of satay with shrimp flavor, hot and sour soup of shrimp flavor, dried noodles of takoyaki flavor, century egg with scallions flavor, dried noodles of hot and spicy flavor, dried noodles of spicy milk pot flavor, sichuan green pepper with spicy milk pot flavor.</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>■Non-fried noodles-</p> <p>Including retort pouch : chicken curry flavor, pad krapow moo flavor, braised pork knuckle flavor.</p> <p>Without retort pouch : sichuan green pepper with sesame paste flavor, curry laksa flavor, fruity black vinegar flavor.</p> <p>■Snack noodles -</p> <p>Prince noodles for braised —fine noodles.</p> <p>Snack noodles —original vegetarian flavor, Thai style hot and sour flavor, braised beef flavor, smoked pork flavor.</p> <p>Prince snack noodles—Teriyaki Sauce chicken flavor, takoyaki with mustard flavor, onion soup flavor, caramel macchiato flavor, caramel pudding flavor.</p> <p>■Entrusted with other food company for original design manufacturer (ODM)-</p> <p>The Master International Catering Marketing Co., Ltd. — dried noodles of spicy flavor, prince snack noodles (spicy flavor).</p> <p>■ Trusted with other food company for original equipment manufacturer (OEM) -</p> <p>Bags of instant noodles exported to the Panama — beef flavor (exported in April 2023), shrimp flavor (exported in April 2023), chicken flavor (exported in April 2023).</p> <p>■Export -</p> <p>Exported to the USA – artificial chicken flavored noodles with rice wine (exported in July 2023), artificial stewed ribs noodles soup with Chinese herbs (exported in July 2023), artificial spicy beef noodles woup with mustard (exported in July 2023).</p> <p>■Improved quality: Raw material modification-</p> <p>Export to the France –complies with regulations in EU (ingredient), using non-irradiation and non-EtO (ethylene oxide) of raw material.</p> <p>S. F. S CO., LTD. –change of garlic powder formula .</p> <p>JOFONT BIOTECHNOLOGY CO., LTD. – replacement of cinnamon powder (NO.4)(food irradiation).</p> <p>FENG KING CO., LTD. – replacement maltodextrin (NO.12I).</p> <p>CHIA CHIN ENTERPRISE CO., LTD. – replacement of Mushroom powder.</p> <p>TSENG CHUAN CO., LTD. – Little Prince Brand Snack Noodles of Korean Kimchi flavor (export to the USA) : replacement of Kimchi powder.</p> <p>Exported to the Panama – change of Instant noodles (bags) pieces formula and specification.</p> <p>Unified of dried scallions.</p> <p>TSENG CHUAN CO., LTD. – replacement caramel color [NO. Z-35W(V)].</p> <p>Exported to the European Union – using non-irradiation dried scallions (spare part) from ZAN CYUAN CO., LTD or HONHSIANG FARM PRODUCTS FACTORY.</p> <p>Tangerine Peel powder formula removal.</p> <p>Exported to the European Union – using clove powder (NO. CF) and cinnamon powder (NO. CF) from GEMFONT CORPORATION.</p>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>Natural Wind Biotech Co., Ltd. – replacement of scallions oil (NO. D102).</p> <p>CHIA CHIN ENTERPRISE CO., LTD. – replacement of angelica powder (food irradiation).</p> <p>Instant noodles (bag) of garlic tonkotsu flavor – using yeast powder from SHIN HORNG FOODS CO., LTD.</p> <p><b>Flavor Seasoning</b></p> <ul style="list-style-type: none"> <li>■ Flavor Seasoning – Institutional packaging-Chicken seasoning</li> <li>■ OEM products – VEDAN mushroom monosodium glutamate.</li> <li>■ Improved quality: Raw material modification – VEDAN Enterprise Corporation–monosodium glutamate. CHIA CHEN BIO ENTERPRISE CO., Ltd. –mushroom powder.</li> </ul> <p><b>Fast Foods/Instant Soups</b></p> <ul style="list-style-type: none"> <li>■ Fast Foods – Seafood with curry, spicy vegetable with curry, braised pork, rice (combine fast Foods), shred chicken.</li> <li>■ Porridges – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa, porridge with beef &amp; red quinoa, porridge with adlay.</li> <li>■ Retort pouch (combine noodles with it) – Big bowls of instant noodles: Braised beef, braised pork chop, garlic tonkotsu, peanuts and chili beef, tonkotsu basted meat, pickled mustard green package, pig's feet with five-spice, chicken soup. Dried noodles : Italian tomato, black pepper pork, chicken with curry. Non-fried noodles : Chicken soup, braised pig's feet.</li> <li>■ Braised dishes – Dried tofu, spicy dried tofu, garlic dried tofu.</li> <li>■ Snack – water chesnut.</li> <li>■ Large Packages – Cooperated with Sun Ten Pharmaceutical- teenager growth, maintain health and replenish energy, Maintain health vegetable, happiness and Beauty.</li> <li>■ OEM Products – The Master International Catering Marketing Co., Ltd. – Combination of soy sauce, pig's knuckle with soy sauce, pig's feet with soy sauce, beef soup, braised pork. HEI ZHU WEI : Dried tofu with soy sauce, chicken feet. Leezen : Corn soup. ZESAUTO : Adjust the recipe.</li> <li>■ Certification of products – Clean label – NIANG JIA – Porridge with chicken and red quinoa,</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>porridge with salmon and red quinoa, porridge with vegetables and red quinoa.</p> <p>■OEM Products (TFL) —  TFL products — Green soybean paste, Corn paste, TFL chickpea paste in refrigeration or room temperature(2kg packet).  TFL beverages — Soy drink with jujube and walnut (340mL &amp; 910mL) (launched in March 2023), Taiwanese roasted peanut kernels and unpolished Tafalong Katepaay red rice drink for Leezen (910mL) (launched in December 2023), Walnut and oat and brown rice drink for Leezen, Cashew nuts drink for Leezen, Black soy drink with black sesame for Leezen, Roselle and snow fungus drink for Leezen, Tomato juice drink, Tomato and fruits and vegetables drink, Tomato and fruits and vegetables and nuts drink, ALL IN The viability of dietary fibre: TFL Soy drink with jujube and walnut, ALL IN The viability of dietary fibre: TFL Soy drink, Soy drink with RenoFlavone F50, PP bottle (for room temperature ) — Soy drink.</p> <p>■Outsource manufacturing —  Ve Wong asparagus drink (PET 590mL) (Renew in October 2023).</p> <p>■Improved quality:  Raw material modification (spare part) —  CHAO SU FROZEN FOOD CO., LTD. — FD slice of corn.  LONG YUAN TAI CO., LTD. — mushroom (Big)  TOMAX ENTERPRISE CO., LTD. — star Anise powder.  Mowi Taiwan Co., Ltd. — salmon  ROYAL CHEF International Co., Ltd. — curry powder.</p> <p><b>Soy Sauce</b></p> <p>■ Non-GMO brewing soy sauce —  NIANG JIA Red mold rice soy sauce (launched in June 2023), Low salt soy sauce (①purely unflavored, ②food additive free, ③yeast extract).</p> <p>■Institutional packaging soy sauce —  KIM VE WONG soy sauce (Non-GMO) 5L.</p> <p>■ Non-GMO thick soy sauce —  NIANG JIA Red mold rice thick soy sauce (launched in June 2023).</p> <p>■ Non-GMO seasoning soy sauce —  All-purpose barbecue sauce (red mold rice flavor).</p> <p>■Institutional packaging seasoning soy sauce —  The Master International Catering Marketing Co., Ltd. — thick soy sauce packets &amp; 5L, T-HAM Non-GMO</p> <p>■Improved quality —  PING ROUN seasoning soy sauce(No.B3 &amp; No.B4) 20L (launched in April 2024), Clean label- PING ROUN seasoning soy sauce (No.B3 &amp; No.B4 &amp; No.Xin Ping 2).</p> <p>■Others —  Export for soy sauce packets</p>





Year	Outlay	Achievements
		(1) Developing new product flavors
2024 Jan.~Apr.		<p><b>Instant Noodles :</b></p> <ul style="list-style-type: none"> <li>■Bags – spicy seafood flavor, whisky &amp; chicken flavor, whisky &amp; chinese herbs flavor, curry laksa flavor, spicy chicken flavor.</li> <li>■Bowls (1100 c.c.) – Super kung-fu classic seafood flavor.</li> <li>■Big Bowls – Including retort pouch : braised beef flavor, spicy beef hot pot flavor, garlic pork flavor, tonkotsu chashu pork flavor, dried noodles of black pepper pork flavor, braised pork flavor, pickled mustard greens with beef flavor. Without retort pouch : dried noodles of satay with shrimp flavor, hot and sour soup of shrimp flavor, dried noodles of takoyaki flavor, century egg with scallions flavor, dried noodles of spicy milk pot flavor, sichuan green pepper with spicy milk pot flavor.</li> <li>■Snack noodles – Snack noodles —Braised beef flavor, smoked pork flavor. Prince snack noodles—Takoyaki with mustard flavor, onion soup flavor, truffle with cheese flavor.</li> <li>■Export – Exported to the USA – instant noodles pieces. Bowls (750 c.c.) exported to the USA – spicy pork thick soup flavor, pork thick soup flavor, dried noodles of spicy chicken flavor , dried noodles of chicken flavor.</li> <li>■Improved quality: Raw material modification- JIANYEN ENTERPRISE CO., LTD. – replacement salt. Export to the France – replacement dried vegetables. Export products – using of cinnamon powder (NO.4) and cinnamon powder form JOFONT BIOTECHNOLOGY CO., LTD. JOFONT BIOTECHNOLOGY CO., LTD. – replacement chili powder. Change of palm oil specification. S. F. S CO., LTD. –change of garlic oil formula.</li> <li>■Flavor Seasoning – Institutional packaging-Chicken seasoning</li> <li>■OEM products – VEDAN mushroom monosodium glutamate.</li> <li>■Improved quality: Raw material modification – FIRST AROMATICS CO., LTD. –chicken flavor.</li> </ul> <p><b>Fast Foods/Instant Soups :</b></p> <ul style="list-style-type: none"> <li>■Fast Foods – Seafood with curry, spicy vegetable with curry, braised pork rice, shred chicken, mapo tofu. Rice (combine fast Foods)- braised beef brisket, curry chicken, black pepper pork.</li> <li>■Porridges – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa,</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<p>porridge with adlay.</p> <ul style="list-style-type: none"> <li>▪ Large Packages – Soup with water chestnut and cartilage, soup with chestnut and chicken.</li> <li>▪ Hot pot – Spicy hotpot, sea food hot pot, tomato hot pot.</li> <li>▪ Braised dishes – Dried tofu, spicy dried tofu, garlic dried tofu.</li> <li>▪ Snack – chestnut, peanut.</li> <li>▪ Large Packages – Cooperated with Sun Ten Pharmaceutical- teenager growth, maintain health and replenish energy, maintain health vegetable, happiness and beauty.</li> <li>▪ OEM Products – OEM Products – NIANG JIA (Eatender) – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa. Leezen – Corn soup.</li> <li>▪ Certification of products – Porridge with pumpkin &amp; red quinoa, porridge with taro &amp; red quinoa.</li> <li>▪ Improved quality : Raw material modification (spare part) – ROYAL CHEF International Co., Ltd.– curry powder. UNION FOOD CO., LTD.–potato starch.</li> <li>▪ OEM Products (TFL) – TFL products – Green soybean paste (20kg barrel), Corn paste (20kg barrel), TFL 100% carrot (100g packet). TFL beverages – ALL IN The viability of dietary fibre: TFL Soy drink with jujube and walnut (launched in March 2024), ALL IN The viability of dietary fibre: TFL Soy drink (launched in March 2024), ALL IN The viability of dietary fibre: TFL Soy drink with almond and brown rice, PP bottle (for room temperature ) – Soy drink (Soy, Almond and brown rice, Black sesame, Jujube and walnut ), TFL Soy drink with red coix.</li> <li>▪ Outsource manufacturing – VE WONG Champion Fried gluten with peanuts.</li> <li>▪ Improved quality – Corn flakes and dried mushroom :</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 of gift box (To be launched 2024), Low salt soy sauce (food additive free), Truffle soy sauce.</li> <li>▪ Thick soy sauce / seasoning soy sauce (non-GMO) – NIANG JIA Red mold rice thick soy sauce of gift box (To be launched 2024), Truffle thick soy sauce.</li> <li>▪ Non-GMO seasoning soy sauce – All-purpose barbecue sauce, Fruity seasoning soy sauce (pomelo &amp; citrus &amp; wasabi).</li> </ul>



Year	Outlay	Achievements
		(1) Developing new product flavors
		<ul style="list-style-type: none"> <li>■ Institutional packaging seasoning soy sauce – PING ROUN seasoning soy sauce (No.B3 &amp; No.B4)20L (readjustment) (launched in April 2024).</li> <li>■ Others – Export for soy sauce packets.</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) Using natural ingredient as raw material, production of premium raw shoyu, every drop is precious, clean lable development to create product uniqueness, diversified development with unique, natural, safe and other elements. Product functions are gradually segmented, in line with market demand and favored by consumers, easy to cook, and the product is convenient and safe to use.
- (3) Development instant noodles to improve elasticity and flavor, combined with retort pouch that the ingredients from local raw material, Cuisine of Southeast Asia, and exotic cuisine. As the core concept, using Little Prince brand to create product value, innovation and optimization with diversity.
- (4) Fast food forward simple formula or clean label products, create a win-win situation producing co-branded from food industry. And using combo meal for easy to family, personal meals are a way for fast food junkie to store food at room temperature for a short period of time. Development products for snacks and braised dishes, and combine locavore to achieve natural, nutritious and delicious. Take the concept of Low-Carbon Diet, whole foods and senior food, extend existing brands, such as instant soup and hot pot, respond to market demands.
- (5) Research the plant-based meat to create healthy and attractive products extending of instant food products.
- (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 published dateline on 30<sup>th</sup> April, 2024.



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

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

- 1) **Flexible Production and Supply Chain Optimization:** Adapt production and optimize the supply chain to meet the rapidly changing demands of channels and consumers.
- 2) **Enhanced Product Innovation and Quality Control:** Develop new products that meet market demands to increase consumer recognition of the company.
- 3) **Development of High-Value-Added Products:** Create products with high added value to increase the company's profit margins.
- 4) **Deepening Presence in Modern Retail Channels:** Increase the chances of new products being shelved to boost sales.
- 5) **Active Management of Social Media Platforms:** Enhance brand influence through active engagement on social media.

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

- 1) **Invest in Brand Promotion and Marketing Activities:** Allocate resources to increase consumer goodwill towards the company.
- 2) **Increase Collaboration with Distributors:** Establish partnerships with distributors to create win-win situations.
- 3) **Expand Foreign Trade:** Increase the scale of product exports.
- 4) **Continuous Market Research:** Develop product lines that meet the needs of different consumer groups, focusing on high-value-added specialty products to enhance profit margins.
- 5) **Technological Innovation and Automation Upgrades:** Improve product competitiveness by expanding operations and reducing production costs through technological innovation and automation.
- 6) **Active Participation in Social Welfare Activities:** Build a positive corporate image by engaging in social welfare projects.



## 2. Market and Sales Overview

### (1) Market Analysis

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

Major Product Categories	2023	2022
Seasonings	72%	72%
Instant Food	23%	23%
Others	5%	5%
Total	100%	100%

#### 2. Sales Target for 2024

Unit: Thousand NT\$

Product Categories	Sales target	
	Domestic sales	Export
Seasonings	4,641,560	91,784
Instant Food	1,301,038	252,984
Others	315,219	17,037
Subtotal	6,257,817	361,805
Total	6,619,622	

#### 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 64 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

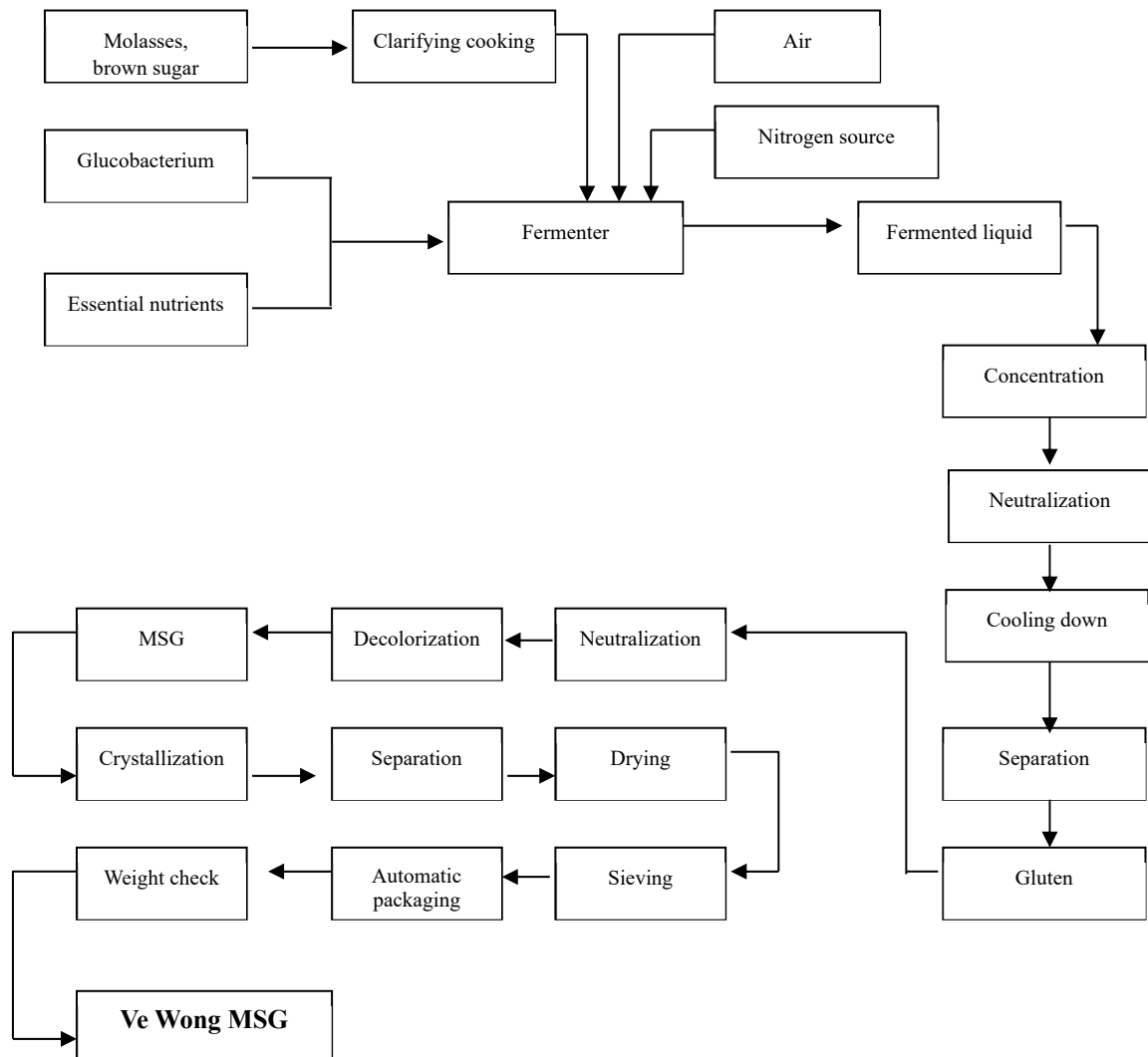
Green TFL Co., Ltd. uses the Total Food Liquefaction (TFL) technology, a brand-new patented food processing technology that can fully utilize ingredients. Even inedible parts can be refined into an edible and delicious state without adding any chemicals and additives. In the production process, the nutrients 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.



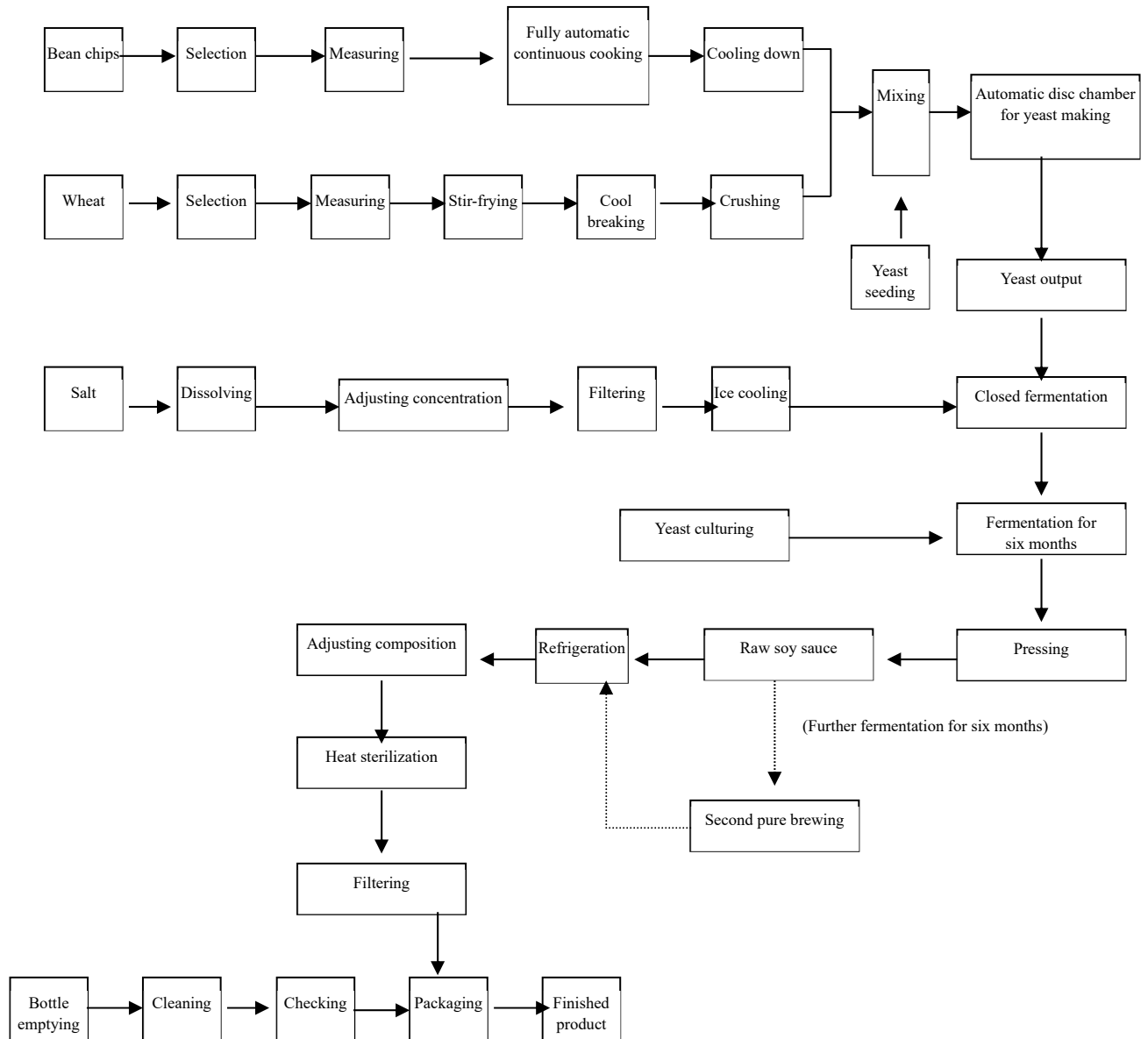
### (3)Products Manufacturing Process

#### Ve Wong MSG Manufacturing process



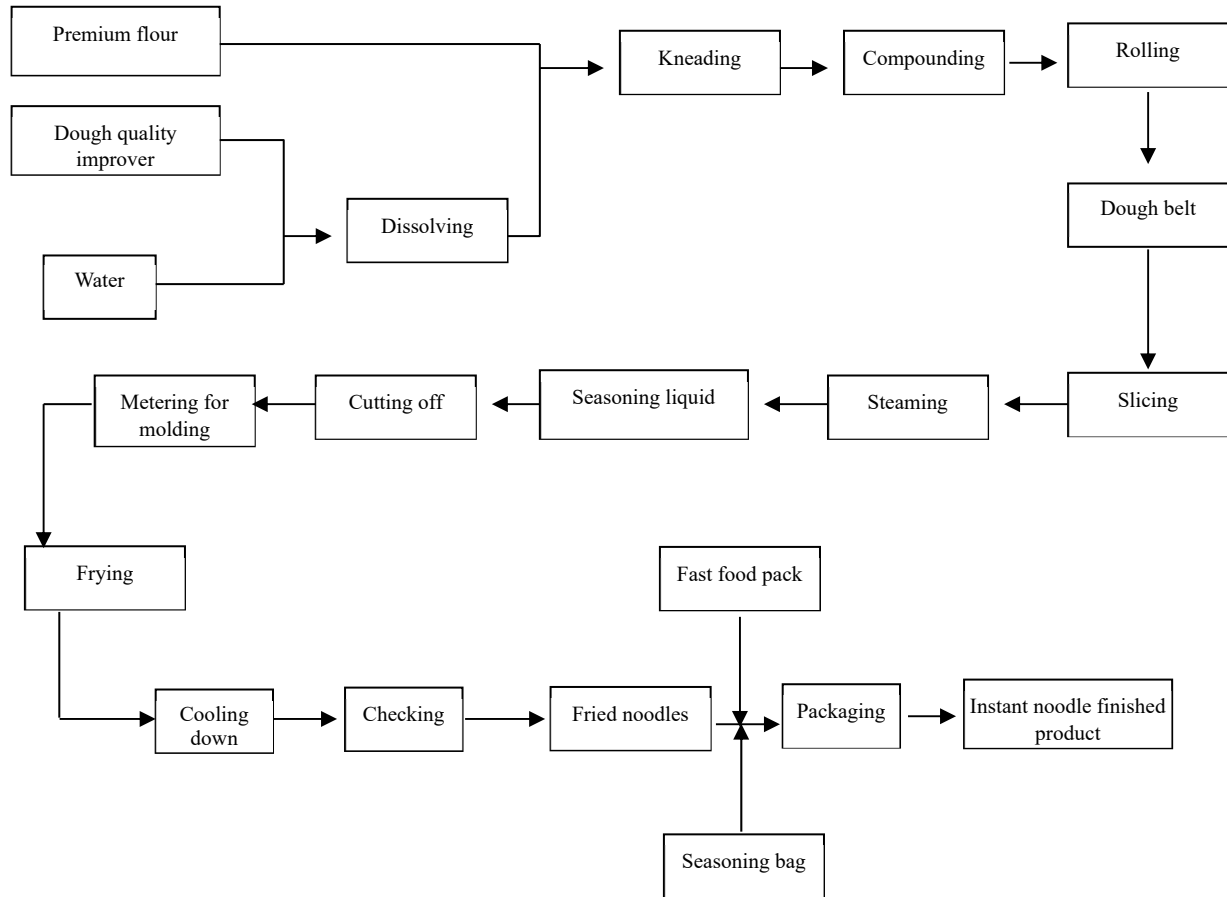


## Ve Wong Soy Sauces Manufacturing process



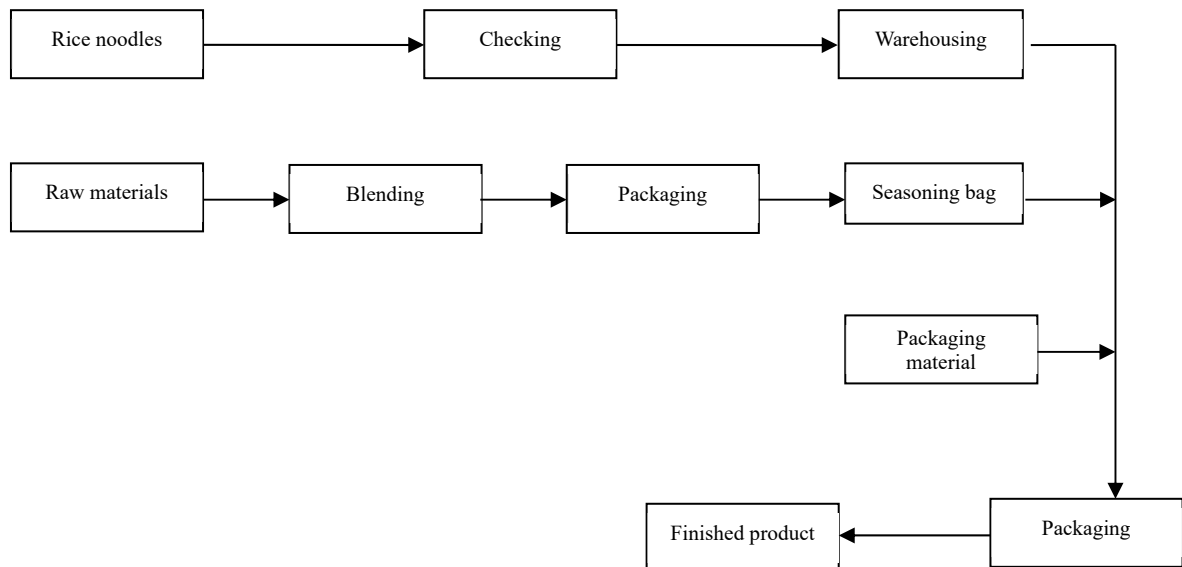


## Ve Wong Instant Noodle Manufacturing process

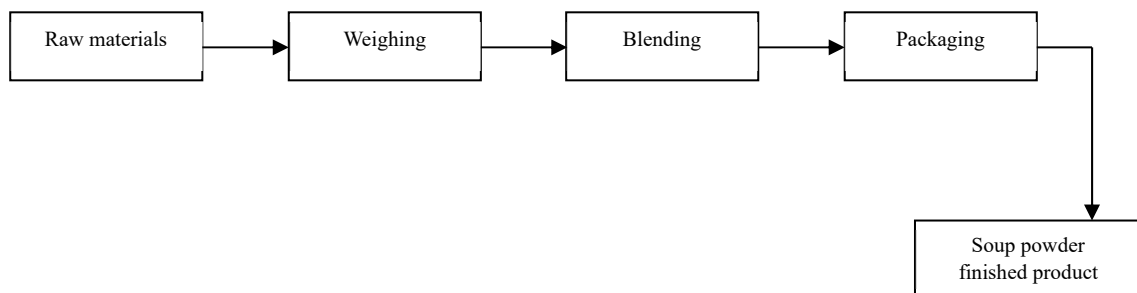




### Saigon Ve Wong Rice Products Manufacturing process



### 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	2023				2022			
	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer	Name	Amount	Percentage of total net sales[%]	Affiliation with the issuer
1	AA	841,279	13.14	None	AA	825,705	12.93	None
	Others	5,562,434	86.86		Others	5,559,852	87.07	
	Net sales	6,403,713	100		Net sales	6,385,557	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 Major products	Year	2023			2022		
		Capacity	Quantity	Amount	Capacity	Quantity	Amount
Seasonings		73,748mt	66,000mt	3,779,570	73,748mt	66,462mt	3,909,805
Instant Food		8,977 thousand boxes	6,528 thousand boxes	1,052,015	8,977 thousand boxes	6,606 thousand boxes	1,140,032
Others				540,167			438,430
Total				5,371,752			5,488,267

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	2023				2022			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Q'ty	Amount	Q'ty	Amount	Q'ty	Amount	Q'ty	Amount
Seasonings		53,448 mt	4,550,549	587mt	89,984	56,081 mt	4,502,617	562mt	80,296
Instant Food		5,474 Thousand boxes	1,215,923	1,018 Thousand boxes	236,434	5,635 Thousand boxes	1,284,591	987 Thousand boxes	207,058
Others			294,597		16,226		303,602		7,393
Total			6,061,069		342,644		6,090,810		294,747

## 3. Employees

April 30, 2024

year		2022	2023	As of April 30, 2024 (Note)
Total number of employees	Technical staff	1029	1014	1001
	Sales staff	497	493	507
	Management staff	254	252	246
	Total	1780	1759	1754
Average age		44.5	44.5	44.7
Average years of service		14.5	14.2	14.2
Academy Ratio (%)	Doctor	0.1%	0.1%	0.1%
	Master	2.5%	2.6%	2.6%
	College	26.1%	26.3%	26.7%
	Senior High School	39.4%	39.1%	39.0%
	Below Senior High School	31.9%	31.9%	31.6%

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 2023 was 2,662.5 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 2023, the balance of the retirement reserve account is NT\$418,823,739. 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 2023, the Company has paid a total of NT\$40,203 thousand in old-system pensions and set aside NT\$15,587 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 employee rights through regular or occasional meetings such as labor-management meetings, union board meetings, and union representative meetings. This collaborative approach helps discuss the Company's development. Although the Company has not yet signed a collective agreement with the corporate union, the Company is currently in negotiations with the union. Additionally, in 2023, the Company took specific measures, such as salary adjustments, to enhance employee benefits and rights. The Company will continue to uphold this spirit in the future to 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 2023 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

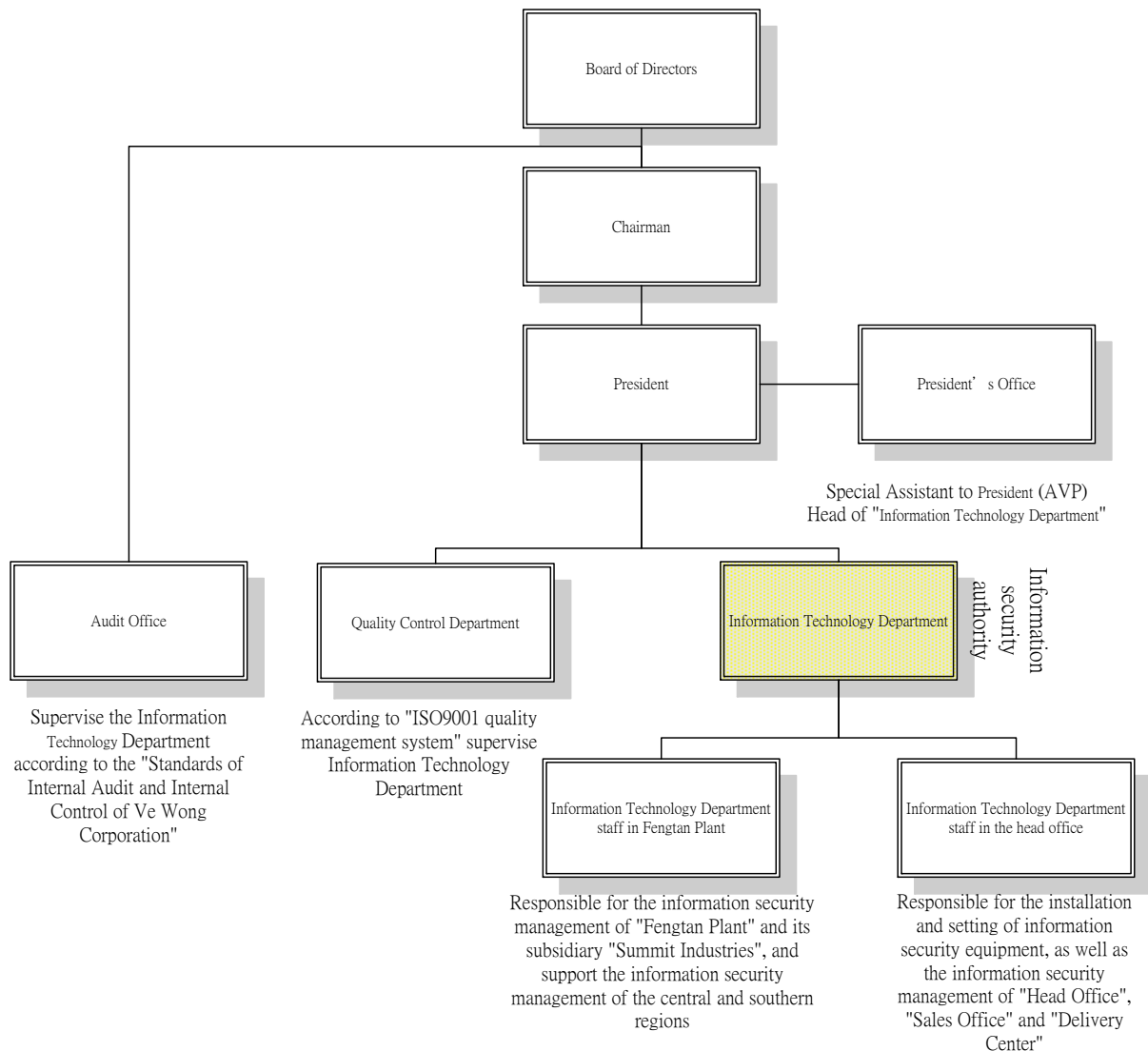
2. Cyber Security Policy

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

Unit: IN thousands

Year  Item		Financial Information for the Last Five Years (Note 1)					Financial information Available Up to March 31, 2024 (Note 5)
		2019	2020	2021	2022	2023	
Current Assets		4,334,741	4,246,910	4,494,013	4,802,641	4,505,524	-
Long-Term Investment (Note 2)		364,310	426,364	454,500	330,453	344,921	-
Property, Plant, And Equipment (Note 3)		4,587,730	4,514,381	4,486,109	4,746,835	5,137,246	-
Intangible Assets		-	-	-	-	-	-
Other Assets		138,245	143,947	148,117	121,037	124,736	-
Total Assets		9,425,026	9,331,602	9,582,739	10,000,966	10,112,427	-
Current Liabilities	Before Distribution	1,735,178	1,557,942	1,877,179	1,975,880	1,859,137	-
	After Distribution	1,975,178	1,821,942	2,141,179	2,239,880	2,123,137	-
Non-Current Liabilities		1,474,274	1,461,278	1,454,140	1,449,507	1,491,106	-
Total Liabilities	Before Distribution	3,209,452	3,019,220	3,331,319	3,425,387	3,350,243	-
	After Distribution	3,449,452	3,283,220	3,595,319	3,689,387	3,614,243	-
Shareholder's Equity Attributable to The Parent Company		4,997,527	5,155,421	5,269,673	5,534,131	5,770,076	-
Capital Stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital Surplus		112,965	205,814	208,337	43,493	46,016	-
Retailed Earnings	Before Distribution	2,317,751	2,504,319	2,664,448	3,037,094	3,248,498	-
	After Distribution	2,077,751	2,240,319	2,400,448	2,773,094	2,984,498	-
Other Equity		205,275	83,752	35,352	92,008	114,026	-
Treasury Stock		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-Controlling Interest		1,218,047	1,156,961	981,747	1,041,448	992,108	-
Total Equities	Before Distribution	6,215,574	6,312,382	6,251,420	6,575,579	6,762,184	-
	After Distribution	5,975,574	6,048,382	5,987,420	6,311,579	6,498,184	-

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 2023 had to be resolved by the annual shareholders' meeting.

Note5. As of the publication date of the annual report, there is no financial information for the first quarter of 2024 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, 2024 (Note 3)
	2019	2020	2021	2022	2023	
Operating income	6,323,237	6,043,700	5,824,838	6,385,557	6,403,713	-
Gross profit	1,979,955	2,043,922	1,896,115	1,825,179	1,866,111	-
Profit from operations	923,530	974,911	865,605	833,156	855,255	-
Non-Operating income and expense	30,952	(33,621)	51,591	287,869	64,522	-
Net income before tax	954,482	941,290	917,196	1,121,025	919,777	-
Net income of continuing operations	717,479	693,921	697,030	889,374	657,718	-
Loss of discontinued operation	-	-	-	-	-	-
Net income	717,479	693,921	697,030	889,374	657,718	-
Other comprehensive profit and loss (net)	108,232	(206,686)	(208,437)	143,186	78,146	-
Total comprehensive profit and loss	825,711	487,235	488,593	1,032,560	735,864	-
Net income attributable to parent company's shareholders	456,880	429,096	447,878	625,396	427,700	-
Net income attributable to noncontrolling interests	260,599	264,825	249,152	263,978	230,018	-
Total comprehensive profit and loss attributable to parent company's shareholders	506,346	305,045	375,729	695,396	498,724	-
Total comprehensive profit and loss attributable to noncontrolling interests	319,365	182,190	112,864	337,164	237,140	-
Earnings per share(Note 2)	1.92	1.81	1.88	2.63	1.80	-

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 2024 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, 2024 (Note 5)
		2019	2020	2021	2022	2023	
Current assets		1,081,975	1,266,075	1,616,300	1,679,101	1,570,856	-
Long-term investment (Note 2)		4,321,117	4,282,422	4,140,509	4,221,047	4,216,601	-
Property, plant, and equipment (Note 3)		1,234,170	1,200,363	1,211,313	1,380,739	1,601,525	-
Intangible assets		-	-	-	-	-	-
Other assets		56,383	60,707	65,041	49,782	37,657	-
Total assets		6,693,645	6,809,567	7,033,163	7,330,669	7,426,639	-
Current liabilities	Before distribution	1,119,828	1,102,872	1,227,735	1,275,538	1,193,602	-
	After distribution	1,359,828	1,366,872	1,491,735	1,539,538	1,457,602	-
Noncurrent liabilities		576,290	551,274	535,755	521,000	462,961	-
Total liabilities	Before distribution	1,696,118	1,654,146	1,763,490	1,796,538	1,656,563	-
	After distribution	1,936,118	1,918,146	2,027,490	2,060,538	1,920,563	-
Equity attributable to shareholders of parent company		4,997,527	5,155,421	5,269,673	5,534,131	5,770,076	-
Common stock		2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	-
Capital surplus		112,965	205,814	208,337	43,493	46,016	-
Retained earnings	Before distribution	2,317,751	2,504,319	2,664,448	3,037,094	3,248,498	-
	After distribution	2,077,751	2,240,319	2,400,448	2,773,094	2,984,498	-
Other equity		205,275	83,752	35,352	92,008	114,026	-
Treasury stocks		(38,464)	(38,464)	(38,464)	(38,464)	(38,464)	-
Non-controlling interests		-	-	-	-	-	-
Total equity	Before distribution	4,997,527	5,155,421	5,269,673	5,534,131	5,770,076	-
	After distribution	4,757,527	4,891,421	5,005,673	5,270,131	5,506,076	-

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 2023 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 2024 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, 2024 (Note 3)
	2019	2020	2021	2022	2023	
Operating Income	2,175,267	2,321,441	2,311,453	2,366,704	2,342,099	-
Gross profit	650,364	703,925	668,669	603,572	637,118	-
Profit from operations	138,507	171,063	134,817	67,545	127,389	-
Non-Operating income and expense	391,550	345,655	385,164	629,100	414,845	-
Net income before tax	530,057	516,718	519,981	696,645	542,234	-
Net income of continuing operations	456,880	429,096	447,878	625,396	427,700	-
Loss of discontinued operation	-	-	-	-	-	-
Net income	456,880	429,096	447,878	625,396	427,700	-
Other comprehensive income (net after-tax)	49,466	(124,051)	(72,149)	70,000	71,024	-
Total comprehensive income	506,346	305,045	375,729	695,396	498,724	-
Earnings per share (Note 2)	1.92	1.81	1.88	2.63	1.80	-

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 2024 after being reviewed.

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

Year	Accounting Firm	CPAs' Name	Audit opinions
2019	PKF Taiwan	Wen, Ming-Yu \ Hsu, Ching-Hsien	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
2023	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, 2024 (Note 2)
			2019	2020	2021	2022	2023	
Financial structure (%)	Liabilities to assets		34.05	32.35	34.76	34.25	33.12	-
	Long-term fund for property, plant, and equipment		251.52	265.14	267.68	270.94	268.40	-
Solvency (%)	Current ratio		249.81	272.59	239.40	243.06	242.34	-
	Quick ratio		153.51	178.50	161.62	136.55	153.95	-
	Interest coverage ratio		67.29	66.74	64.98	66.70	42.02	-
Operation performance analysis	Receivables turnover (times)		12.93	12.76	12.95	13.34	12.85	-
	Average collection days		28.22	28.60	28.18	27.36	28.40	-
	Inventory turnover (times)		2.79	2.59	2.73	2.57	2.44	-
	Payables turnover (times)		10.90	10.31	9.04	8.64	9.55	-
	Average inventory turnover days		130.82	140.92	133.69	142.02	149.59	-
	Property, plant, and equipment turnover (times)		2.11	2.01	2.00	2.18	2.12	-
	Total assets turnover (times)		0.68	0.64	0.61	0.65	0.63	-
Profitability	Return on assets (%)		7.90	7.52	7.49	9.22	6.71	-
	Return on equity (%)		11.86	11.07	11.09	13.86	9.86	-
	Pre-tax income to paid-in capital ratio (%)		39.77	39.22	38.21	46.70	38.32	-
	Net income margin (%)		11.34	11.48	11.96	13.92	10.27	-
	EPS (NT\$)		1.92	1.81	1.88	2.63	1.80	-
Cash flow	Cash flow ratio (%)		25.65	69.60	51.41	9.35	70.71	-
	Cash flow adequacy ratio (%)		132.16	143.00	134.29	76.29	90.42	-
	Cash flow reinvestment ratio (%)		-0.46	6.29	4.47	-3.64	7.93	-
Leverage	Operating leverage		1.15	1.15	1.15	1.15	1.14	-
	Financial leverage		1.01	1.01	1.01	1.02	1.02	-

Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:

#### 1. Solvency

- The interest coverage ratio has decreased, primarily due to a reduction in earnings before taxes and interest expenses.

#### 2. Profitability

- **Return on Assets (ROA) Decrease:** This decrease is primarily due to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, leading to a decrease in net income after taxes.
- **Return on Equity (ROE) Decrease:** This decrease is mainly attributed to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, resulting in a decline in net income after taxes.
- **Net Profit Margin Decrease:** The net profit margin has decreased mainly due to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, leading to a decrease in net income after taxes.
- **Earnings Per Share (EPS) Decrease:** The decrease in EPS is primarily due to a reduction in profit attributable to the owners of the parent company.

#### 3. Cash Flow

- **Increase in Cash Flow Ratio:** The increase is primarily due to a reduction in inventory and a decrease in gains from the disposal of non-current assets held for sale in 2023, which led to an increase in net cash inflow from operating activities.
- **Increase in Cash Reinvestment Ratio:** The increase is mainly attributed to the rise in net cash flow from operating activities.

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, 2024 (Note 2)
			2019	2020	2021	2022	2023	
Financial structure (%)	Liabilities to assets		25.33	24.29	25.07	24.50	22.30	-
	Long-term fund for property, plant, and equipment		694.41	745.20	760.74	713.78	655.10	-
Solvency (%)	Current ratio		96.61	114.79	131.64	131.63	131.60	-
	Quick ratio		60.99	80.99	100.33	96.46	97.89	-
	Interest coverage ratio		67.57	64.32	66.97	68.52	36.57	-
Operation performance analysis	Receivables turnover (times)		7.66	8.52	8.07	7.85	8.01	-
	Average collection days		47.65	42.84	45.22	46.49	45.56	-
	Inventory turnover (times)		3.99	4.29	4.41	4.27	4.06	-
	Payables turnover (times)		7.34	7.81	7.26	7.36	7.31	-
	Average inventory turnover days		91.47	85.08	82.76	85.48	89.90	-
	Property, plant, and equipment turnover (times)		2.44	2.96	3.02	2.93	2.60	-
	Total assets turnover (times)		0.33	0.34	0.33	0.32	0.31	-
Profitability	Return on assets (%)		7.03	6.45	6.56	8.82	5.96	-
	Return on equity (%)		9.39	8.45	8.59	11.57	7.56	-
	Pre-tax income to paid-in capital ratio (%)		22.08	21.52	21.66	29.02	22.59	-
	Net income margin (%)		21.00	18.48	19.37	26.42	18.26	-
	EPS (NT\$)		1.92	1.81	1.88	2.63	1.80	-
Cash flow (%)	Cash flow ratio (%)		24.10	54.04	39.66	37.47	53.70	-
	Cash flow adequacy ratio (%)		103.55	128.63	150.47	101.95	118.61	-
	Cash flow reinvestment ratio (%)		0.48	5.65	3.47	3.20	5.60	-
Leverage	Operating leverage		1.45	1.03	1.05	2.11	1.57	-
	Financial leverage		1.06	1.05	1.06	1.18	1.13	-

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

### 1. Solvency

- The interest coverage ratio has decreased, primarily due to a reduction in earnings before taxes and interest expenses.

### 2. Profitability

- **Return on Assets (ROA) Decrease:** This decrease is primarily due to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, leading to a decrease in net income after taxes.
- **Return on Equity (ROE) Decrease:** This decrease is mainly attributed to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, resulting in a decline in net income after taxes.
- **Pre-Tax Profit to Paid-In Capital Ratio Increase:** The ratio increased mainly due to a decrease in foreign exchange gains and the gains from the disposal of non-current assets held for sale, leading to a decrease in net income after taxes.
- **Net Profit Margin Decrease:** The net profit margin has decreased mainly due to a reduction in foreign exchange gains and the gains from the disposal of non-current assets held for sale, leading to a decrease in net income after taxes.
- **Earnings Per Share (EPS) Decrease:** The decrease in EPS is primarily due to a reduction in net profit for the current period.

### 3. Cash Flow

- **Increase in Cash Flow Ratio:** The increase is primarily due to a reduction in inventory and a decrease in gains from the disposal of non-current assets held for sale in 2023, which led to an increase in net cash inflow from operating activities.
- **Increase in Cash Reinvestment Ratio:** The increase is mainly attributed to the rise in net cash flow from operating activities.

### 4. Leverage

- The operating leverage has decreased, primarily due to a reduction in variable operating costs and expenses.



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 2024 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)



### 3. Audit Committee's Report

#### **VE WONG Corporation** **Audit Committee's Review Report**

The Board of Directors has prepared the 2023 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 2023 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 Act and relevant laws and regulations.

To the 2024 General Shareholders' Meeting of Ve Wong Corporation,

The Convener of the Audit Committee:

Liao, Chi-Fang

March 25, 2024

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

**VE WONG CORPORATION and Subsidiaries  
Consolidated Financial Statements for the Years Ended  
December 31, 2023 and 2022 and  
Independent Auditors' Report**

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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.



## 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, 2023, 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 Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

VE WONG CORPORATION

By

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Ching-Fu, Chen  
Chairman

March 28, 2024

## **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, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 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 2023 and 2022, had its financial statements not audit by us, but was audited by other accountants. Therefore, our opinion on the financial statements of Hughes Biotech (in 2023 and 2022) that the amount and various financial disclosure information listed in the financial statements of the investee companies are based on the audit reports of other accountants. As of December 31, 2023 and 2022, the above-mentioned companies used the equity method to invest in 8,069 thousand NTD and 3,225 thousand NTD, respectively, accounting for 0.08% and 0.03% of the total consolidated assets. From January 1 to December 31, 2023 and 2022, 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 (5,046) thousand NTD and (3,013) thousand NTD, accounting for 0.08% and 0.05% of net consolidated operating income, respectively.

VE WONG CORPORATION has prepared the parent company only financial statements for the 2023 and 2022, 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 Huei Yu Chang.

PKF Taiwan  
Republic of China  
March 28, 2024

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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 from the translation.

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**DECEMBER 31, 2023 AND 2022**
**(In Thousands of New Taiwan Dollars)**

ASSETS	Note	Decebmmer 31, 2023		Decebmmer 31, 2022	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>	<b>IV</b>				
Cash and cash equivalents	VI(I)	\$ 1,612,746	16	\$ 1,288,739	13
Financial assets measured at amortized cost -current assets	VI(III)	355,642	4	309,027	3
Notes receivable, net	VI(IV)	151,219	1	121,193	1
Accounts receivable, net	VI(IV)	351,958	4	372,162	4
Accounts receivable- related parties	VI(IV) · VII	4	-	-	-
Other receivables- related parties	VII	-	-	14	-
Current tax assets	VI(XX)	530	-	3,127	-
Inventories	VI(V)	1,627,717	16	2,086,932	21
Other financial assets	VI(VII)	323,953	3	476,536	5
Prepayments and other current assets	VI(XIII)	81,755	1	144,911	1
Total current assets		<u>4,505,524</u>	<u>45</u>	<u>4,802,641</u>	<u>48</u>
<b>NONCURRENT ASSETS</b>	<b>IV</b>				
Financial assets at fair value through profit or loss	VI(II)	-	-	-	-
Financial assets at fair value through other comprehensive income	VI(VI)	292,301	3	256,334	3
Financial assets measured at amortized cost -noncurrent assets	VI(III)	26,442	-	51,653	-
Investments accounted for using equity method	VI(VIII)	26,178	-	22,466	-
Property, plant and equipment	VI(IX) · VIII	3,074,988	31	2,961,880	30
Right-of-use assets	VI(X)	99,492	1	94,424	1
Investments properties	VI(XI) · VIII	1,722,873	17	1,522,670	15
Deferred income tax assets	VI(XX)	20,317	-	21,256	-
Prepayments for equipment	VI(XII)	239,893	2	167,861	2
Refundable deposit		39,650	-	33,204	-
Other noncurrent assets	VI(XIII) · VII	64,769	1	66,577	1
Total noncurrent assets		<u>5,606,903</u>	<u>55</u>	<u>5,198,325</u>	<u>52</u>
<b>TOTAL</b>		<u>\$ 10,112,427</u>	<u>100</u>	<u>\$ 10,000,966</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>	<b>IV</b>				
Short-term loans	VI(XIV)	\$ 813,000	8	\$ 953,000	9
Notes payable		57,594	-	52,885	1
Accounts payable		374,126	4	465,060	5
Other payables		341,671	3	306,248	3
Current tax liabilities	VI(XX)	156,777	2	85,071	1
Lease liabilities-current	VI(XVI)	10,926	-	12,238	-
Other current liabilities		105,043	1	101,378	1
Total current liabilities		<u>1,859,137</u>	<u>18</u>	<u>1,975,880</u>	<u>20</u>
<b>NONCURRENT LIABILITIES</b>	<b>IV</b>				
Long-term loans	VI(XV)	126,000	1	-	-
Net defined benefit liability	VI(XVII)	179,899	2	252,881	2
Deferred income tax liabilities-land value increment tax		879,845	9	879,845	9
Deferred income tax liabilities -income tax	VI(XX)	196,654	2	206,231	2
Lease liabilities-noncurrent	VI(XVI)	92,683	1	85,473	1
Long-term deferred income	VI(XVIII)	3,000	-	3,500	-
Other		13,025	-	21,577	-
Total noncurrent liabilities		<u>1,491,106</u>	<u>15</u>	<u>1,449,507</u>	<u>14</u>
Total liabilities		<u>3,350,243</u>	<u>33</u>	<u>3,425,387</u>	<u>34</u>
<b>EQUITY</b>	<b>IV · VI(XXI)</b>				
Capital stock					
Common shares		2,400,000	24	2,400,000	24
Capital surplus					
From treasury stock transactions		46,016	-	43,493	-
From share of changes in equities of associates		-	-	-	-
Retained earnings					
Appropriated as legal capital reserve		525,640	5	461,976	5
Appropriated as special capital reserve		1,005,964	10	1,005,964	10
Unappropriated earnings		1,716,894	17	1,569,154	16
Other equity		114,026	1	92,008	1
Treasury stock	VI(VIII) · VI(XXII)	(38,464)	-	(38,464)	-
Total equity attributable to the owners of the parent company		<u>5,770,076</u>	<u>57</u>	<u>5,534,131</u>	<u>56</u>
Non-controlling interests	IV · VI(XXI)	992,108	10	1,041,448	10
Total equity		<u>6,762,184</u>	<u>67</u>	<u>6,575,579</u>	<u>66</u>
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>	<b>IX · XII</b>				
<b>TOTAL</b>		<u>\$ 10,112,427</u>	<u>100</u>	<u>\$ 10,000,966</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2023		2022	
		Amount	%	Amount	%
NET REVENUE	IV、VI(XXV) - VII	\$ 6,403,713	100	\$ 6,385,557	100
OPERATING COSTS	IV - VI(V)	4,537,602	71	4,560,378	71
GROSS PROFIT		1,866,111	29	1,825,179	29
OPERATING EXPENSES					
Marketing		676,440	11	661,348	11
General and administrative		324,524	5	320,755	5
Research and development		8,464	-	7,933	-
Expected credit loss on trade receivables		1,428	-	1,987	-
Total operating expenses		1,010,856	16	992,023	16
INCOME FROM OPERATIONS		855,255	13	833,156	13
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		45,022	1	25,866	-
Other income	VI(XXVI)	11,206	-	14,793	-
Other gains and losses	VI(XXVII) - VII	34,851	-	340,002	5
Finance costs	VI(XXVIII)	(22,419)	-	(17,061)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	(4,138)	-	(886)	-
Impairment loss	VI(XXVII)	-	-	(74,845)	(1)
Total non-operating income		64,522	1	287,869	4
PROFIT BEFORE INCOME TAX		919,777	14	1,121,025	17
INCOME TAX EXPENSE	IV - VI(XX)	(262,059)	(4)	(231,651)	(3)
NET PROFIT FOR THE YEAR		657,718	10	889,374	14
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans	VI(XVII)	45,020	1	11,250	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		40,139	-	(61,612)	(1)
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		85,159	1	(50,362)	(1)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(7,013)	-	188,833	3
Share of the other comprehensive income (loss) of associates accounted for using the equity method		-	-	4,715	-
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(7,013)	-	193,548	3
Other comprehensive income (loss) for the year, net of income tax		78,146	1	143,186	2
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 735,864	11	\$ 1,032,560	16
Net profit attributable to:					
Parent company shareholders		\$ 427,700		\$ 625,396	
Non-controlling interests		230,018		263,978	
Net income		\$ 657,718		\$ 889,374	
Total comprehensive income attributable to:					
Parent company shareholders		\$ 498,724		\$ 695,396	
Non-controlling interests		237,140		337,164	
Total comprehensive income		\$ 735,864		\$ 1,032,560	
EARNINGS PER SHARE	IV - IV(XXIII)				
Basic		\$ 1.80		\$ 2.63	
Diluted		\$ 1.80		\$ 2.63	

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

(With PKF Taiwan auditors' report dated March 28, 2024)

**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

(In Thousands of New Taiwan Dollars)

Item	Equity attributable to the owners of the parent company												
	Ordinary Shares	Capital Surplus		Retained Earnings			Other Equity			Treasury stock	Total equity attributed to parent company shareholders	Non-controlling interests	Total Equity
		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				
BALANCE, JANUARY 1, 2022	\$ 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 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
Appropriation of the 2022 earnings													
Legal reserve	-	-	-	63,664	-	(63,664)	-	-	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)	-	(264,000)
Net profit for year ended December 31, 2023	-	-	-	-	-	427,700	-	-	-	-	427,700	230,018	657,718
Other comprehensive income (loss) for year ended December 31, 2023, net of income tax	-	-	-	-	-	45,020	(14,133)	40,137	-	-	71,024	7,122	78,146
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	472,720	(14,133)	40,137	-	-	498,724	237,140	735,864
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523	-	2,523
Changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(1,302)	-	-	-	-	(1,302)	-	(1,302)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	3,986	-	(3,986)	-	-	-	-	-
Decrease in non-controlling equity	-	-	-	-	-	-	-	-	-	-	-	(286,480)	(286,480)
BALANCE, DECEMBER 31, 2023	\$ 2,400,000	\$ 46,016	\$ -	\$ 525,640	\$ 1,005,964	\$ 1,716,894	\$ (65,470)	\$ 179,496	\$ -	\$ (38,464)	\$ 5,770,076	\$ 992,108	\$ 6,762,184

The accompanying notes are an integral part of the consolidated financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)



**VE WONG CORPORATION and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 919,777	\$ 1,121,025
Adjustments for :		
Depreciation expense	126,627	128,108
Amortization expense	14,531	14,053
(Reversal of allowance) Expected credit loss on trade receivables	1,428	1,987
Net defined benefit liabilities	(27,962)	(20,674)
(Reversal of allowance) provision for inventory market price decline	(56)	987
Loss on Inventory scrap	5,893	4,737
Loss (gain) on disposal of property, plant and equipment	88	(2,012)
Gain on disposal of non-current assets held for sale	-	(168,362)
Impairment loss	-	74,845
Reversal of property, plant and equipment impairment loss	-	(14,190)
Share of profit of associates accounted for using the equity method	4,138	886
Finance costs	22,419	17,061
Interest income	(45,022)	(25,866)
Dividend income	(11,206)	(14,793)
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(30,026)	13,489
Decrease (increase) in trade receivables	18,964	(44,011)
Decrease (increase) in other receivables- related parties	14	(14)
Decrease (increase) in prepayments and other current assets	58,689	(79,003)
Decrease (increase) in inventories	453,378	(643,052)
Decrease in notes payable and trade payable	(86,225)	(19,575)
Increase in other payables	35,195	1,368
Decrease in deferred income	(500)	(500)
Increase in other current liabilities	3,665	186
Cash generated from operations	1,463,809	346,680
Interest received	49,489	16,193
Dividends and other dividends received	13,443	16,918
Income tax received	3,943	1,237
Interest paid	(22,191)	(16,876)
Income tax paid	(193,863)	(179,242)
Net cash generated from operating activities	1,314,630	184,910
CASH FLOWS FROM INVESTING ACTIVITIES :		
Increase in financial assets at fair value through other comprehensive income	-	(2,664)
Capital reduction and return of financial assets at fair value through other comprehensive income	4,172	-
Decrease (increase) in financial assets measured at amortized cost	(21,404)	39,556
Proceeds from disposal non-current assets held for sale	-	1
Increase in other financial assets	152,583	123,428
Increase in investments accounted for using equity method	(11,192)	(3,894)
Acquisition of property, plant and equipment	(190,938)	(142,794)
Disposal of property, plant, and equipment	126	2,075
Acquisition of investments properties	(197,041)	(88,750)
Interest expense for investments properties	(3,501)	(120)
Increase in prepaid equipment purchase	(103,110)	(110,858)
Decrease (increase) in refundable deposit	(6,446)	1,666
Increase in other noncurrent assets	(12,723)	(6,007)
Net cash used in investing activities	(389,474)	(188,361)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	(140,000)	100,000
Increase in long-term borrowings	126,000	-
Payment of the principal portion of lease liabilities	(17,356)	(8,557)
Increase (decrease) in other noncurrent liabilities	(8,552)	7,498
Dividends paid	(261,477)	(261,477)
Subsidiary paid cash dividends to non-controlling interests	(286,480)	(277,463)
Net cash used in financing activities	(587,865)	(439,999)
Effect of foreign exchange rate change	(13,284)	161,692
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	324,007	(281,758)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,288,739	1,570,497
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 1,612,746	\$ 1,288,739

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

(With PKF Taiwan auditors' report dated March 28, 2024)

## VE WONG CORPORATION and Subsidiaries

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

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

#### 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 28, 2024.

#### 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 2023 are as follows :

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
Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"	note
Note : The " International Tax Reform - Pillar Two Model Rules" released in May 2023 added new paragraphs 4A and 88A to 88D. Paragraphs 4A and 88A will apply immediately after the issuance of these amendments, and in accordance with International Accounting Standards No. 8 The provisions apply retroactively; and paragraphs 88B to 88D will apply for annual reporting periods beginning after January 1, 2023. The information required by these paragraphs is not required to be disclosed for any interim period ending before December 31, 2023.	

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 "Sale and Leaseback"	January 1, 2024
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
Amendments to IAS 7 and IFRS7 "supplier arrangements"	January 1, 2024

(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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

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 2023 and 2022 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	
		12.31.2023	12.31.2022	2023	2022
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
			12.31.2023	12.31.2022	
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, 2023 and 2022 were \$992,108 and \$1,041,448, respectively. The information of significant non-controlling interests and subsidiaries are as follows :

Name of subsidiary	Main place of business	non-controlling interests			
		12.31.2023		12.31.2022	
		Amount	Shareholding ratio	Amount	Shareholding ratio
Thai Fermentation Industry Co., Ltd.	Thailand	\$ 980,744	51.34%	\$ 1,029,943	51.34%

Aggregate financial information of subsidiaries:

Balance sheet

	Thai Fermentation Industry Co., Ltd.	
	12.31.2023	12.31.2022
Current assets	\$ 2,061,927	\$ 2,179,197
Noncurrent assets	393,551	402,353
Current liabilities	(428,419)	(488,208)
Noncurrent liabilities	(86,016)	(89,183)
Total net assets	\$ 1,941,043	\$ 2,004,159

Statements of comprehensive income

	Thai Fermentation Industry Co., Ltd.	
	2023	2022
Revenue	\$ 3,177,066	\$ 2,887,718
Profit before income tax	598,641	632,378
Income tax expense	(117,575)	(129,930)
Net income	481,066	502,448
Net profit attributable to non-controlling interests	(259,698)	(253,303)
Net profit for the year	221,368	249,145
Other comprehensive income for the year, net of income tax	13,870	142,569
Total comprehensive income for the year	\$ 494,936	\$ 645,017
Total comprehensive profit and loss attributable to non-controlling interests	\$ 266,818	\$ 326,492
Paid cash dividends to non-controlling interests	\$ 286,480	\$ 277,463

Cash flows

	Thai Fermentation Industry Co., Ltd.	
	2023	2022
Net cash generated from (used in) operating activities	\$ 1,000,099	\$ (122,885)
Net cash generated from (used in) investing activities	(145,899)	104,590
Net cash used in financing activities	(558,018)	(530,420)
Effect of foreign exchange rate change	(36,364)	134,690
Net increase (decrease) in cash and cash equivalents	259,818	(414,025)
Cash and cash equivalents at the beginning of the year	640,929	1,054,954
Cash and cash equivalents at the end of the year	\$ 900,747	\$ 640,929

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.

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 remeasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as 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. °

(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, 2023 and 2022, the carrying amount of deferred income tax assets was \$20,317 and \$21,256, 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, 2023 and 2022, the carrying amount of Net defined benefit liability was \$179,899 and \$252,881, 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 2023 and 2022, the book value of notes and accounts receivable was \$503,181 (after deducting allowance for impairment loss of \$8,864) and \$493,355 (after deducting allowance for impairment loss of \$7,628).

In 2023 and 2022, the consolidated company recognized the financial asset evaluation loss of stocks of unlisted companies with no active market was \$(6,366) and \$(10,792), respectively.

VI. Description of significant accounting items

(I) Cash and cash equivalent

	As at December 31,	
	2023	2022
Cash	\$ 1,082	\$ 1,780
Checking deposits	58,439	111,974
Demand deposits	221,925	187,308
Foreign currency deposits	860,131	733,823
Fixed deposit no more than 3 months	471,169	253,854
Total	\$ 1,612,746	\$ 1,288,739

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,	
	2023	2022
Fixed deposit no more than 3 months	2.15%-5.25%	0.35%-4.83%

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

	As at December 31,	
	2023	2022
Unlisted stocks	\$ -	\$ -
Valuation adjustment	-	-
Total	\$ -	\$ -

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

	As at December 31,	
	2023	2022
<u>Current assets</u>		
Fixed deposit -more than 3 months within 1 year	\$ 303,609	\$ 265,357
Mutual funds- more than 3 months within 1 year	43,188	43,670
Government Bonds- more than 3 months within 1 year	8,845	-
Subtotal of current assets	355,642	309,027
<u>Noncurrent assets</u>		
Government Bonds- more than 1 year	-	8,857
Mutual funds-- more than 1 year	26,442	42,796
Subtotal of noncurrent assets	26,442	51,653
Total	\$ 382,084	\$ 360,680

	As at December 31,	
	2023	2022
Market rate		
Fixed deposit -more than 3 months within 1 year	0.875%-5.7%	0.375%-5.2%
Mutual funds- more than 3 months within 1 year	4.70%-6.75%	5.15%-6.75%
Government Bonds- more than 3 months within 1 year	4.5%	-
Government Bonds- more than 1 year	-	4.5%
Mutual funds-- more than 1 year	6.75%	4.70%-6.75%

(IV) Notes and accounts receivable, net

	As at December 31,	
	2023	2022
Notes receivable	\$ 151,219	\$ 121,193
Accounts receivable	\$ 360,822	\$ 379,790
Accounts receivable- related parties	4	-
Less: allowance for impairment loss	(8,864)	(7,628)
Net accounts receivable	\$ 351,962	\$ 372,162

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, 2023 and 2022, 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, 2023			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 219,587	-	\$ -
Overdue within 90 days	-	-	-
Overdue for 91~180 days	-	-	-
Overdue over 181 days	-	-	-
Total	\$ 219,587		\$ -

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	\$ 222,340		\$ -

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

As at December 31, 2023			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 284,899	1.00%	\$ 2,849
Overdue within 90 days	595	10.00%	60
Overdue for 91~180 days	2,017	50.00%	1,008
Overdue over 181 days	4,947	100.00%	4,947
Total	<u>\$ 292,458</u>		<u>\$ 8,864</u>

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>

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,	
	2023	2022
Beginning balance	\$ 7,628	\$ 6,753
Recognized impairment loss	1,428	544
Effect of foreign exchange rate change	(192)	331
Ending balance	<u>\$ 8,864</u>	<u>\$ 7,628</u>

Regardless of other credit enhancements, the notes receivable that best represent the consolidated company's credit risk exposures as of December 31, 2023 and 2022 was \$151,219 and \$121,193, respectively; the most representative of the consolidated company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2023 and 2022 were \$351,962 and \$372,162, respectively.

(V) Inventory

	As at December 31,	
	2023	2022
Raw materials	\$ 411,287	\$ 395,358
Supplies	39,268	61,471
Work in progress	709,386	730,683
Finished goods	357,324	688,719
Goods in transit	114,845	215,150
Total	<u>1,632,110</u>	<u>2,091,381</u>
Less: Allowance to reduce inventory to market	<u>(4,393)</u>	<u>(4,449)</u>
Net	<u>\$ 1,627,717</u>	<u>\$ 2,086,932</u>



The cost of inventories recognized as expense for the year :

	For the years ended December 31,	
	2023	2022
Cost of goods sold	\$ 4,504,755	\$ 4,527,145
Loss on discarding of inventory	5,893	4,737
(Reversal of allowance) provision for inventory market price decline	(56 )	987
Income from sale of scraps	(5,882 )	(5,345 )
Subtotal	(45 )	379
Rental cost	32,892	32,854
Total	\$ 4,537,602	\$ 4,560,378

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,	
	2023	2022
Listed stocks	\$ 103,206	\$ 103,207
Unlisted stocks	48,841	49,026
Subtotal	152,047	152,233
Valuation adjustment	140,254	104,101
Total	\$ 292,301	\$ 256,334

(VII) Other financial assets-noncurrent

	As at December 31,	
	2023	2022
Bank- special account for repatriation of overseas funds (Note)	\$ 300,925	\$ 465,435
Bank-restricted	23,028	11,101
Total	\$ 323,953	\$ 476,536

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

Name	Number of thousand shares	Book value	Percentage held
<u>As at December 31, 2023</u>			
<u>Investments in associates</u>			
<u>Unlisted companies :</u>			
K.S.L. IT Center Co., Ltd.	5	\$ 3,935	50.00
TFI Green Biotech Company Limited	50	14,174	50.00
Hughes Biotech. Co., Ltd.	2,633	16,877	37.62
		34,986	
		(8,808 )	
Total		\$ 26,178	
(next)			

(continued)

As at December 31, 2022

Investments in associates

Unlisted companies :

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
			31,274	
			(8,808)	
Total		\$	22,466	

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.
  - (5) In the report issued by the entrusted Indonesian law firm on October 12, 2023, it was confirmed that the liquidation of PT Ve Wong Budi Indonesia has been completed. On November 10, 2023, the Company's board of directors approved the removal of relevant accounting items from the Company's financial statements for the investment in PT Ve Wong Budi Indonesia including investments using the equity method (account amount \$0; Original investment amount \$180,811) and other receivables (net account amount \$0; including loan and principal \$139,293, interest receivable \$165,798, advances on behalf of \$5,005 and provision for losses - others Receivables from related parties \$310,096) will not have any impact on the company's assets and profit and loss items in 2023 after deducting the accounts.
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, 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, 2023 and 2022, 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 (XXII) 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 2023 and 2022, 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 2023, the Company participated in the cash capital increase of Hughes Biotech. Co., Ltd. an affiliated company, with an additional investment cost of \$11,192 and increased holdings of 1,119,000 shares. and recognized the change (decrease) in the net equity value of the investment due to the failure to increase capital in accordance with the shareholding ratio, and offset the retained earnings by \$1,302. 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.

The financial information on the consolidated company's significant Associate - Hughes Biotech. Co., Ltd. is summarized as follows :

	As at December 31,	
	2023	2022
Current assets	\$ 13,665	\$ 10,118
Noncurrent assets	\$ 10,601	\$ 1,670
Current liabilities	\$ 2,820	\$ 1,376
Noncurrent liabilities	\$ -	\$ -
Net assets	\$ 21,446	\$ 10,412
The consolidated company's rights	\$ 8,069	\$ 3,504
Book value	\$ 8,069	\$ 3,225

	For the years ended December 31,	
	2023	2022
Revenue	\$ 3,747	\$ 1,108
Net Loss	\$ (13,966)	\$ (8,857)
Total comprehensive income	\$ (13,966)	\$ (8,857)
Total profit and loss attributable to the consolidated company	\$ (5,046)	\$ (3,013)
Total other comprehensive profit and loss attributable to the consolidated company	\$ -	\$ -
Total comprehensive profit and loss attributable to the consolidated company	\$ (5,046)	\$ (3,013)

(IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2023 and 2022 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, 2022	\$ 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	1,582,773	1,038,208	3,052,165	205,628	60,309	42,499	703,677	111,767	6,797,026
Additions	-	6,104	27,526	5,637	786	152	-	150,733	190,938
Disposals	-	-	(96,023)	-	(1,347)	(1,999)	-	-	(99,369)
Transferred	-	-	60,593	(1,770)	-	1,770	-	(29,515)	31,078
Effect of foreign exchange rate change	1,247	(1,692)	4,219	172	(28)	21	-	110	4,049
Balance at December 31, 2023	\$ 1,584,020	\$ 1,042,620	\$ 3,048,480	\$ 209,667	\$ 59,720	\$ 42,443	\$ 703,677	\$ 233,095	\$ 6,923,722

(next)

(continued)

Accumulated depreciation

Balance at January 1, 2022	\$ -	\$ 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	-	764,634	2,728,376	188,918	54,630	30,228	15,526	-	3,782,312
Depreciation	-	31,275	65,878	7,887	1,182	3,364	-	-	109,586
Disposals	-	-	(95,892)	-	(1,291 )	(1,972)	-	-	(99,155)
Transferred	-	-	-	(1,762)	-	1,762	-	-	-
Effect of foreign exchange rate change	-	(1,913)	4,969	101	(17)	17	-	-	3,157
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 793,996</u>	<u>\$ 2,703,331</u>	<u>\$ 195,144</u>	<u>\$ 54,504</u>	<u>\$ 33,399</u>	<u>\$ 15,526</u>	<u>\$ -</u>	<u>\$ 3,795,900</u>

Accumulated impairment

Balance at January 1, 2022	\$ 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>
Balance at December 31, 2023	<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)									

Book value

December 31, 2022	<u>\$ 1,537,077</u>	<u>\$ 273,574</u>	<u>\$ 323,789</u>	<u>\$ 16,710</u>	<u>\$ 5,679</u>	<u>\$ 12,271</u>	<u>\$ 681,013</u>	<u>\$ 111,767</u>	<u>\$ 2,961,880</u>
December 31, 2023	<u>\$ 1,538,324</u>	<u>\$ 248,624</u>	<u>\$ 345,149</u>	<u>\$ 14,523</u>	<u>\$ 5,216</u>	<u>\$ 9,044</u>	<u>\$ 681,013</u>	<u>\$ 233,095</u>	<u>\$ 3,074,988</u>

- 1.The property and plant proved mortgage conditions, please refer to note VIII.
- 2.As of the end of 2023 and 2022, the insurance coverage of Property, plant and equipment was \$647,741 and \$622,156, respectively.
- 3.As of January 1, 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 \$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 to the third level was 378,141), according to the appraisal results of the consolidated company, the fair value of the above property, plant and equipment as at December 31, 2023 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%).

(X) Right-of-use assets

The movement of right-of-use assets for the years ended December 31, 2023 and 2022 were as follows :

	Land	Bulidings	Transportation Equipment	Total of cost	Accumulated depreciation	Net
Balance at January 1, 2022	\$ 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	82,446	25,780	19,972	128,198	(33,774 )	94,424
Additions	-	22,516	738	23,254	-	23,254
Less	-	(1,698 )	(3,159 )	(4,857 )	4,857	-
Depreciation	-	-	-	-	(15,939 )	(15,939 )
Effect of foreign exchange rate change	(2,307 )	(633 )	220	(2,720 )	473	(2,247 )
December 31, 2023	\$ 80,139	\$ 45,965	\$ 17,771	\$ 143,875	\$ (44,383 )	\$ 99,492

The depreciation expenses of the right-of-use assets of the consolidated company in 2023 and 2022 were \$15,939 and \$15,527, respectively.

(XI) Investments properties

The movement of investments properties for the years ended December 31, 2023 and 2022 were as follows :

	Land	Bulidings	Other	Construction in Progress	Total of cost	Accumulated depreciation	Accumulated impairment	Net
Balance at January 1, 2022	\$ 1,453,707	\$ 70,790	\$ 64	\$ -	\$ 1,524,561	\$ 60,165	\$ 38,830	\$ 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	1,459,313	71,420	64	88,870	1,619,667	62,015	34,982	1,522,670
Additions	-	-	-	200,542	200,542	-	-	200,542
Depreciation	-	-	-	-	-	1,102	-	(1,102 )
Effect of foreign exchange rate change	756	85	-	-	841	78	-	763
December 31, 2023	\$ 1,460,069	\$ 71,505	\$ 64	\$ 289,412	\$ 1,821,050	\$ 63,195	\$ 34,982	\$ 1,722,873

- 1.The cost model is adopted for the measurement after the recognition of the investments properties.
- 2.The capitalized amounts of interest on the above-mentioned investments properties in 2023 and 2022 was \$3,501 and \$120, respectively.
- 3.As of the end of 2023 and 2022, the insurance coverage of investments properties was \$231,285 and \$256,112, respectively.
- 4.As of December 31, 2023 and 2022, 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.
- 5.The rental income from investments properties in 2023 and 2022 was \$59,664 and \$58,974, direct operating expenses incurred was \$32,892 and \$32,854, respectively.
- 6.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 Investments properties as at December 31, 2023 has not changed significantly.
- 7.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
Income capitalization rate	1.235%-3.28%
Comprehensive rate of capital interest in land development analysis method	1.41%-3.74%

- 8.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,	
	2023	2022
Prepayment for equipment and other equipment	\$ 239,893	\$ 167,861

(XIII) Prepayments and other assets

	As at December 31,	
	2023	2022
Prepayments to suppliers	\$ 7,209	\$ 12,560
Prepaid expenses	9,189	5,832
Other receivables	10,589	324,484
Less: allowance for impairment loss -other receivables	-	(310,096)
Overdue receivables	7,798	8,513
Less: allowance for impairment loss -overdue receivables	(7,798)	(8,513)
Goodwill	48,196	48,196
Other intangible assets	3,318	5,825
Miscellaneous	29,700	29,400
Other	38,323	95,287
Total	\$ 146,524	\$ 211,488
Current items	\$ 81,755	\$ 144,911
Noncurrent items	64,769	66,577
Total	\$ 146,524	\$ 211,488

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

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, 2023 and 2022 were 2.0% and 5.0%, respectively.

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

	For the years ended December 31,	
	2023	2022
Beginning balance	\$ 318,609	\$ 317,166
Recognized impairment loss	-	1,443
write off - PT Ve Wong Budi		
Indonesia	(310,096 )	-
write off -other	(715 )	-
Ending balance	\$ 7,798	\$ 318,609

In 2023, the write-off allowance loss - PT Ve Wong Budi Indonesia totaled \$310,096. Please refer to note VI(VIII).

(XIV) Short-term loans

	As at December 31,	
	2023	2022
Secured loans	\$ 570,000	\$ 710,000
Unsecured loans	243,000	243,000
Total	\$ 813,000	\$ 953,000
Range of interest rates	1.723%-2.107%	1.471%-1.925%

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

(XV) Long-term loans

	As at December 31,	
	2023	2022
Secured loans	\$ 126,000	\$ -
Expiration date	2025.05.25	-
Range of interest rates	2.525%	-

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

(XVI) Lease liabilities

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

	Minimum rent payment of future	Interest expense	Present value of minimum rent payment
As at December 31, 2023			
Not later than 1 year	\$ 14,223	\$ 3,297	\$ 10,926
Later than 1 year and not later than 5 years	38,251	11,038	27,213
Later than 6 year	80,493	15,023	65,470
Total	\$ 132,967	\$ 29,358	\$ 103,609
Lease liabilities-current	\$ 14,223		\$ 10,926
Lease liabilities-noncurrent	\$ 118,744		\$ 92,683
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	\$ 128,172	\$ 30,461	\$ 97,711
Lease liabilities-current	\$ 15,570		\$ 12,238
Lease liabilities-noncurrent	\$ 112,602		\$ 85,473

The interest expense of the recognized lease liability in 2023 and 2022 was \$3,533 and \$3,668, respectively.

The amount of cash outflow for leases recognized in 2023 and 2022 was \$17,356 and \$4,497, respectively.

(XVII) 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-the 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>	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	1.15%	1.20%
Expected rate of salary increase	2.00%-3.00%	2.00%-4.00%

<u>Saigon Ve Wong Co., Ltd.</u>	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
Discount rate	2.00%	5.00%
Expected rate of salary increase	5.00%	6.00%

<u>Thai Fermentation Industry Co., Ltd.</u>	<u>As of December 31,</u>	
	<u>2023</u>	<u>2022</u>
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 :

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Current service cost	\$ 5,765	\$ 5,827
Net interest expense	3,003	2,052
Recognized in profit or loss	\$ 8,768	\$ 7,879



(3) Recognized in other comprehensive income :

	For the years ended December 31,	
	2023	2022
Remeasurement of net defined benefit liabilities	\$ 45,020	\$ 11,250

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

Item	As of December 31,	
	2023	2022
Present value of defined benefit obligation	\$ 611,893	\$ 685,909
Fair value of plan assets	(431,994)	(433,028)
Net defined benefit liabilities	\$ 179,899	\$ 252,881

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

	For the years ended December 31,	
	2023	2022
Balance at January 1	\$ 685,909	\$ 699,490
Current service cost	5,765	5,827
Net interest expense	8,096	4,690
Benefits paid	(47,571)	(51,801)
Actuarial loss - experience adjustments	(11,558)	4,919
Actuarial loss - changes in demographic assumptions	(20)	(14)
Actuarial loss - changes in financial assumptions	(28,728)	22,798
Balance at December 31	\$ 611,893	\$ 685,909

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

	For the years ended December 31,	
	2023	2022
Balance at January 1	\$ 433,028	\$ 414,685
Contribution by employer	23,282	25,114
Benefits paid	(33,627)	(41,798)
Return on plan assets	9,311	35,027
Balance at December 31	\$ 431,994	\$ 433,028

(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,			
	2023		2022	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation assumptions	\$ 602,339	\$ 621,762	\$ 674,335	\$ 697,867
Calculate according to the original hypothesis	611,893	611,893	685,909	685,909
Determine the loss of benefit obligation (benefits)	(9,554)	9,869	(11,574)	11,958
Determine the percentage change in benefit obligations	(1.56%)	1.61%	(1.69%)	1.74%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2023		2022	
	Add 0.25%	Less 0.25%	Add 0.25%	Less 0.25%
Calculated based on simulation assumptions	\$ 621,789	\$ 602,367	\$ 697,764	\$ 674,478
Calculate according to the original hypothesis	611,893	611,893	685,909	685,909
Determine the loss of benefit obligation (benefits)	9,896	(9,526 )	11,855	(11,431 )
Determine the percentage change in benefit obligations	1.62%	(1.56% )	1.73%	(1.67% )

(8) Expected future benefit payments are as follow

	As of December 31,	
	2023	2022
Expected to pay benefits in the next 1 year	\$ 55,355	\$ 47,576
Expected to pay benefits in the next 2~5 years	212,245	228,358
Expected to pay benefits more than 6 years	369,161	448,328
Total	<u>\$ 636,761</u>	<u>\$ 724,262</u>

(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,	
	2023	2022
The expected contributions to the plan for the next year	<u>\$ 24,038</u>	<u>\$ 25,443</u>
The average duration of the defined benefit obligation	<u>4-6years</u>	<u>6-7years</u>

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 2023 and 2022, the consolidated company's pension contributions in accordance with the Labor Pension Act were \$17,078 and \$16,417, respectively.

(XVIII) 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, 2023 and 2022, the balance of long-term deferred income was \$3,000 and \$3,500, respectively.

(XIX) Operating lease

The consolidated company leased investments properties in 2023 and 2022. 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, 2023 and 2022 is as follows :

	As of December 31,	
	2023	2022
Under 1 year	\$ 55,344	\$ 57,353
More than 1 year but not more than 5 years	113,841	167,110
More than 5 years	-	533
Total	<u>\$ 169,185</u>	<u>\$ 224,996</u>

(XX) INCOME TAX

1. Income tax expense consisted of the following :

	For the years ended December 31,	
	2023	2022
Current tax expense recognized in the current year	\$ 271,701	\$ 189,025
Income tax adjustments on prior years	(1,136 )	(1,229 )
Separate taxation of dividend income	132	-
Deferred income tax expense (benefit)		
The origination and reversal of temporary differences	(8,638 )	43,855
Income tax expense recognized in profit or loss	<u>\$ 262,059</u>	<u>\$ 231,651</u>

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2023	2022
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,	
	2023	2022
Income before tax	<u>\$ 919,777</u>	<u>\$ 1,121,025</u>
Income tax expense at the statutory rate	\$ 261,779	\$ 296,203
Permanent difference	(3,723 )	(60,306 )
Temporary difference (next)	3,933 )	(50,015 )

(continued)

Income tax on unappropriated earnings	9,712	3,143
Income tax adjustments on prior years	(1,004 )	(1,229 )
The origination and reversal of temporary differences	(8,638 )	43,855
Income tax expense recognized in profit or loss	<u>\$ 262,059</u>	<u>\$ 231,651</u>

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

	2023	2022
Current tax expense recognized in the current year	\$ 271,701	\$ 189,025
Add : Current tax liabilities at beginning of year	85,071	68,579
Income tax adjustments on prior years	132	-
Effect of foreign exchange rate change	(6,474 )	6,389 )
less : Paid	(193,653 )	(178,922 )
Current tax liabilities at end of year	<u>\$ 156,777</u>	<u>\$ 85,071</u>

	2023	2022
Current tax assets at beginning of year	\$ 3,127	\$ 2,815
Add : Provisional and withholding tax	210	320
Current income tax adjustment in previous years	1,136	1,229
Less : Received	(3,943 )	(1,237 )
Current tax assets at end of year	<u>\$ 530</u>	<u>\$ 3,127</u>

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

	2023					
	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	\$ 880	\$ (10)	\$ -	\$ -	\$ -	\$ 870
Unrealized exchange loss (gain)	(8,033)	2,588	-	-	-	(5,445)
Allowance for impairment loss	1,052	(145)	-	-	-	907
Unrealized employee benefit liabilities	9,207	(5,690)	-	-	-	3,517
Impairment loss on nonfinancial assets	1,514	-	-	-	-	1,514
Others	(189,595)	11,895	-	-	-	(177,700)
Deferred tax expense		<u>\$ 8,638</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets (liabilities), net	<u>\$ (184,975)</u>					<u>\$ (176,337)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 21,256</u>					<u>\$ 20,317</u>
Deferred tax liabilities	<u>\$ 206,231</u>					<u>\$ 196,654</u>

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>

### 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,	
	2023	2022
Unrecognized deferred income tax assets :		
Loss deduction	\$ 460	\$ 579
Temporary difference	35,194	97,291
Total	<u>\$ 35,654</u>	<u>\$ 97,870</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,	
	2023	2022
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	<u>\$ 13,094</u>	<u>\$ 10,267</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
		2023	2022	
2018	146	\$ 146	\$ 146	2028
2019	414	414	414	2029
2020	514	514	514	2030
2021	528	528	528	2031
2022	1,291	219	1,291	2032
2023	2,688	2,688	-	2033
		<u>\$ 4,509</u>	<u>\$ 2,893</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	2021
The World Champion Co., Ltd.	2021
Summit Industrial Co., Ltd.	2021

(XXI) 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, 2023 and 2022, 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	<u>\$ 2,400,000</u>

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,	
	2023	2022
Treasury stock trading	<u>\$ 46,016</u>	<u>\$ 43,493</u>

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 2023, the Company's estimated total amount of employee compensation and directors and supervisors' compensation is \$28,539. 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 28, 2023 and June 22, 2022, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2022 and 2021, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2022	2021
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1.1
employee remuneration -Cash	\$ 14,666	\$ 10,947
Directors and supervisors remuneration	22,000	16,420
Total	\$ 36,666	\$ 27,367

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 28, 2024 to pass the 2023 surplus distribution proposal as follows :

	Earnings distribution 2023	Dividend per share (NTD) 2023
legal capital reserve	\$ 47,540	
Cash dividend	264,000	\$ 1.1
Total	<u>\$ 311,540</u>	

The appropriation of earnings for 2023 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,	
	2023	2022
Balance, January 1, Attributable to non-controlling interests :	\$ 1,041,448	\$ 981,747
Net income	230,018	263,978
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	2	(2 )
Exchange differences on translating the financial statements of foreign operations	7,120	73,188
Decrease in non-controlling equity (Note)	(286,480 )	(277,463 )
Balance, December 31,	<u>\$ 992,108</u>	<u>\$ 1,041,448</u>

Note : It is the amount of dividends to non-controlling interests paid by the consolidated subsidiary.



(XXII) Treasury stocks

Cause	Subsidiary name	Number of shares as of January 1	Net Increase (Decrease)	Number of shares as of December 31
<u>12.31.2023</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2022</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, 2023 and 2022 was NTD\$56.90 and NTD\$34.90, 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

	2023	2022
Profit attributable to ordinary shareholders	\$ 427,700	\$ 625,396
Effect of potentially dilutive ordinary shares :		
Employees' compensation	-	-
Earnings used to calculate diluted earnings per share	<u>\$ 427,700</u>	<u>\$ 625,396</u>

Thousand shares

	2023	2022
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

	Belonging to operating costs	Belonging to operating expenses	Total
<u>2023</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 346,153	\$ 417,826	\$ 763,979
Labor/health insurance expense	26,377	27,322	53,699
Pension expense (Note a)	15,800	10,046	25,846
Director's remuneration	-	26,524	26,524
Total	<u>\$ 388,330</u>	<u>\$ 481,718</u>	<u>\$ 870,048</u>
Depreciation expense	<u>\$ 103,042</u>	<u>\$ 23,585</u>	<u>\$ 126,627</u>
Amortization expense	<u>\$ 6,235</u>	<u>\$ 8,296</u>	<u>\$ 14,531</u>
(next)			

(continued)

2022

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>

Note a : please refer to note VI (XVII).

Note b : please refer to note VI (XXI).

- 1.As of December 31, 2023 and 2022, the number of employees of the consolidated company was 1,793 and 1,814, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2023 and 2022 were \$474 and \$468, respectively.
- 3.The average salary costs in 2023 and 2022 were \$429 and \$423, respectively, and the average increase in salary for employees in the two years was 1.42% and 1.20%, respectively.

(XXV) Operating revenue

The analysis of the consolidated company's operating revenue is as follows:

	For the years ended December 31,	
	2023	2022
Sales revenue	\$ 6,344,049	\$ 6,326,583
Rental income	59,664	58,974
Total	<u>\$ 6,403,713</u>	<u>\$ 6,385,557</u>

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.

Details of operating income:

By region	For the years ended December 31,	
	2023	2022
Taiwan	\$ 2,601,754	\$ 2,599,385
Thailand	2,486,685	2,332,927
Vietnam	1,315,274	1,453,245
Total	<u>\$ 6,403,713</u>	<u>\$ 6,385,557</u>

Product type	For the years ended December 31,	
	2023	2022
Food manufacturing		
Condiment	\$ 4,640,533	\$ 4,582,913
Fast food	1,452,357	1,491,649
subtotal	6,092,890	6,074,562
Packaging materials and other manufacturing	161,355	162,062
Other	149,468	148,933
Total	<u>\$ 6,403,713</u>	<u>\$ 6,385,557</u>

(XXVI) Other income

	For the years ended December 31,	
	2023	2022
Dividend income		
From financial assets at fair value through other comprehensive income	\$ 11,206	\$ 14,793

(XXVII) Other gains and losses

	For the years ended December 31,	
	2023	2022
Net foreign currency exchange gains	\$ 25,830	\$ 145,023
Loss on disposal of property, plant and equipment	(88)	2,012
Others	9,109	10,415
Gain on disposal of non-current assets held for sale	-	168,362
Reversal of Property, plant and equipment impairment loss	-	14,190
Net	<u>\$ 34,851</u>	<u>\$ 340,002</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 \$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.

(XXVIII) Finance costs

	For the years ended December 31,	
	2023	2022
Interest on bank loans	\$ 18,713	\$ 13,302
Interest on leases liabilities	3,533	3,668
Interest on deposit	173	91
Total	<u>\$ 22,419</u>	<u>\$ 17,061</u>

(XXIX) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2023	2022
<u>Financial assets</u>		
Measured at amortized cost		
Cash and cash equivalents	\$ 1,612,746	\$ 1,288,739
Notes and accounts receivable	503,181	493,355
Other financial assets	323,953	476,536
Financial assets measured at amortized cost	382,084	360,680
Refundable deposit	39,650	33,204
Subtotal	2,861,614	2,652,514
Measured at fair value		
Financial assets at fair value through other comprehensive income	292,301	256,334
Total	<u>\$ 3,153,915</u>	<u>\$ 2,908,848</u>
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term loans	\$ 813,000	\$ 953,000
Long-term loans	126,000	-
Notes and accounts payable	431,720	517,945
Other payables	341,671	306,248
Lease liabilities	103,609	97,711
Total	<u>\$ 1,816,000</u>	<u>\$ 1,874,904</u>

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, 2023 and 2022 decreases/increases by \$16,187 and \$13,655, 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, 2023 and 2022 decreases/increases by \$9,713 and \$8,280, 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, 2023 and 2022 increases / decreases by \$2,923 and \$2,563, 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 2023 and 2022, 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, 2023				
	Within 6 months	7~12 months	1~2 years	2~5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 553,000	\$ 260,000	\$ -	\$ -	\$ 813,000
Long-term loans	-	-	126,000	-	126,000
Notes and accounts payable	431,720	-	-	-	431,720
Other payables	313,132	28,539	-	-	341,671
Lease liabilities	5,876	5,050	27,213	65,470	103,609
Total	<u>\$ 1,303,728</u>	<u>\$ 293,589</u>	<u>\$ 153,213</u>	<u>\$ 65,470</u>	<u>\$ 1,816,000</u>

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
Total	<u>\$ 1,506,380</u>	<u>\$ 283,051</u>	<u>\$ 28,064</u>	<u>\$ 57,409</u>	<u>\$ 1,874,904</u>

#### 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, 2023</u>				
Financial Assets				
Cash and cash equivalents	USD	6,836	30.66	\$ 209,578
Cash and cash equivalents	BATH	1,021,950	0.8814	900,747
Cash and cash equivalents	VND	173,847,848	0.00127305	221,317
Notes and accounts receivable	USD	726	30.66	22,256
Notes and accounts receivable	BATH	56,743	0.8814	50,013
Notes and accounts receivable	EUR	68	34.02	2,303
Other financial assets	USD	9,815	30.66	300,925
Financial Liabilities				
Notes and accounts payable	BATH	100,308	0.8814	88,411
<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

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 2023 and 2022 were losses of \$25,830 and gains of \$145,023, 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, 2023</u>				
Investments accounted for using equity method	THB	20,546	0.8814	\$ 18,109
<u>As at December 31, 2022</u>				
Investments accounted for using equity method	THB	22,030	0.8734	\$ 19,241

#### 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 :

<u>As at December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	246,595	-	-	246,595
Unlisted shares	-	-	45,706	45,706
<u>As at December 31, 2022</u>				
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	204,262	-	-	204,262
Unlisted shares	-	-	52,072	52,072

(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, 2023 and 2022 is as follows :

	2023	2022
Balance at January 1	\$ 52,072	\$ 62,864
Recognized in other comprehensive income (loss)	(6,366)	(10,792)
Balance at December 31	\$ 45,706	\$ 52,072

(5) In 2023 and 2022, the consolidated company does not have a transfer fair value measurement of financial instruments between level 1 and level 2.

(XXX) 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, 2023 and 2022, the consolidated company's rate of liabilities is as follows :

	As at December 31,	
	2023	2022
Total liabilities	\$ 3,350,243	\$ 3,425,387
Total assets	\$ 10,112,427	\$ 10,000,966
Rate of liabilities	33%	34%

The ratio on December 31, 2023 and December 31, 2022, there has been no significant change.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	Short-term loans	Long-term loans
Balance at January 1, 2022	\$ 853,000	\$ -
Financing Cash Flow :		
Increase loans	3,163,000	-
Repayment of loans	(3,063,000 )	-
Balance at December 31, 2022	953,000	-
Financing Cash Flow :		
Increase loans	2,363,000	126,000
Repayment of loans	(2,503,000 )	-
Balance at December 31 , 2023	\$ 813,000	\$ 953,000



## VII. Related Party Transactions

### (I) Name of related parties and relationship with the related parties

Name of related party	Relationship with the consolidated company
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method, write-off in November 2023.
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.
Whole Green Trading Co., Ltd.	Corporate director of the Company

### (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 :

Name of related party	For the years ended December 31,	
	2023	2022
TFI Green Biotech Company Limited	\$ 2	\$ 3
K.S.L. IT Center Co., Ltd.	1	1
Whole Green Trading Co., Ltd.	4	-
Total	\$ 7	\$ 4

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, 2023 and 2022, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2023	2022
PT Ve Wong Budi Indonesia (note)	Overdue receivables	\$ -	\$ 139,293
	Less: allowance for impairment loss	-	(139,293 )
	Net	\$ -	\$ -

Note : please refer to note VI(VIII).

#### 4. Significant financial assets and liabilities with related parties

Name of related party	Items	For the years ended December 31,	
		2023	2022
Whole Green Trading Co., Ltd.	Accounts receivables	\$ 4	\$ -
TFI Green Biotech Company Limited	Other receivables	\$ -	\$ 14
PT Ve Wong Budi Indonesia	Overdue receivables	\$ -	\$ 170,803
PT Ve Wong Budi Indonesia	Less: allowance for impairment loss	-	(170,803 )
	Net	\$ -	\$ -

## 5. Others

Name of related party	Items	For the years ended December 31,	
		2023	2022
K.S.L.IT Center Co., Ltd.	Other loss	\$ 1,573	\$ 1,285
TFI Green Biotech Company Limited	Rental income	\$ 194	\$ 190
TFI Green Biotech Company Limited	Other income	\$ 2,690	\$ 2,891

(Price as agreed in the contract)

## 6. Compensation of key management personnel

Remuneration to key management personnel of the consolidated company includes the following:

	For the years ended December 31,	
	2023	2022
Short-term employee benefits(note)	\$ 29,528	\$ 34,140

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,	
		2023	2022
Property, plant and equipment	Land and building	\$ 1,860,411	\$ 1,764,992
Investments properties	Land and building	1,111,799	1,220,173
Financial assets measured at amortized cost	Government bonds, etc.	-	8,857
Total		\$ 2,972,210	\$ 2,994,022

## IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2023 and 2022, the consolidated company contingent liabilities and unrecognized commitments is as follows :

1. The unused letters of credit amount to USD\$33,000 and USD\$857,000, respectively.
2. The deposit guarantee note of the letter of credit and the purchase was \$213,000 ; The deposit guarantee notes received was \$93,481 and \$90,789, respectively.

X. Significant Disaster Loss: None

XI. Significant Subsequent Events: None

## XII. Others

- (I) 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, on June 12, 2023, the salesperson was convicted of business embezzlement. As of the date of the audit report, the company has set aside 100% of the provision for losses and has applied for employee integrity insurance from the insurance company. There has been no significant impact on the company's 2023 financial statements.
- (II) The Company's subsidiary Thai Fermentation Industry Co., Ltd. had a transaction of selling equipment in the third quarter of 2023, and recognized the proceeds from the disposal of assets amounting to Baht \$50,618,000 (equivalent to NTD \$45,445,000), but there was a transaction

dispute between the transaction object and the ultimate buyer, and resulted in a lawsuit. Afterwards, Thai Fermentation Industry Co., Ltd. canceled the transaction with the original transaction partner and made appropriate accounting treatment. The originally received sales price of Baht 58,529,000 was deposited with the local police investigation unit pending the outcome of the local litigation mediation and deal with. This case was mediated for the first time on March 15, 2024. As of the date of the audit report, the implementation of the mediation results is still in progress and has not been completed. The Company assesses that there is no significant impact on the accompanying parent company only financial statements of 2023. 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, 2023 : Please refer to Table I.
2. Endorsements/Guarantees Providing for the year ended December 31, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : Please refer to Table IV-I.
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, 2023 : None.
9. Trading in derivative instruments for the year ended December 31, 2023 : None.
10. Business relations and important transactions and amounts between parent and subsidiary companies and between subsidiaries : Please refer to Table IV-III.

#### (II) Information on Investees :

1. Information on investees (excluding investments in mainland chian) for the year ended December 31, 2023 : Please refer to Table V.
2. Information about invested business :
  - (1) Financing provided to others in 2023 : Please refer to Table I.
  - (2) Endorsements/Guarantees Providing in 2023 : 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, 2023 : Please refer to Table III.
  - (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, 2023 : None.
  - (5) Purchase amount of real property that exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023 : 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, 2023 : 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, 2023 : Please refer to Table IV-II.
  - (8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2023 : None.
  - (9) Engaging in derivative transactions for the year ended December 31, 2023 : None.

#### (III) Information about the investment in China : None.

#### (IV) Major Shareholders Information : Please refer to Table VI.

#### 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 segments as follows :

	Operating segments revenue		Operating segments profit and loss	
	For the years ended December 31,		For the years ended December 31,	
	2023	2022	2023	2022
Condiment business	\$ 5,350,778	\$ 5,186,865	\$ 723,672	\$ 757,587
Fast food business	1,452,357	1,491,649	138,070	84,888
Other	446,286	458,264	3,296	2,003
Total continuing business units	7,249,421	7,136,778	865,038	844,478
Less: income or profit and loss between operating segments	(845,708)	(751,221)	-	-
Revenue or profit and loss of operating segments and external customers	\$ 6,403,713	\$ 6,385,557	865,038	844,478
Other operating expenses			(9,783)	(11,322)
Income from operations			855,255	833,156
Interest income			45,022	25,866
Other income			11,206	14,793
Other gains and losses			34,851	340,002
Finance costs			(22,419)	(17,061)
Share of profit or loss of subsidiaries and associates accounted for using the equity method			(4,138)	(886)
Impairment loss			-	(74,845)
Profit before income tax			\$ 919,777	\$ 1,121,025

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,	
	2023	2022
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 : please refer to note VI (XXV)

##### (IV) By region : please refer to note VI (XXV)

##### (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 2023 and 2022.

**TABLE I****VE WONG CORPORATION**
**FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	\$ 100,000	\$ 81,000	1.825%	short-term financing is necessary	-	operating turnover	\$ -	-	-	\$ 371,332	\$ 1,485,328	Note3
0	VE WONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	139,293	-	-	-	-	-	-	-	-	-	371,332	1,485,328	Note4
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Co., Ltd.	other current assets	N	5,036	-	-	7%	Company that needs short-term financing	-	Operating capital	-	-	-	194,104	970,522	
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivables-related parties	Y	80,000	-	-	1.90%	Company that needs short-term financing	-	Operating capital	-	-	-	153,893	615,574	Note3
	Total					\$ 100,000											

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 : Consolidated statement has been written off.

Note4 : Please refer to note VI(VIII).

**TABLE II****VE WONG CORPORATION**
**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note1) (Note3)	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.	\$ 1,485,328	\$ 50,000	\$ 50,000	\$ 43,000	\$ -	1%	\$ 2,227,992	Y	-	-	Note4
1	Tai Ve Corporation	Ve Wong Corporation	The company direct and indirect owns over 50% ownership of the investee company	3,077,869	1,650,400	1,650,400	300,000	1,921,301	29%	3,077,869	-	Y	-	Note4
1	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	615,574	143,000	143,000	-	130,395	2%	923,361	-	-	-	Note4
		Total				\$ 1,843,400								

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 : 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, 2023**  
**(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	\$ 44,054	0.007%	\$ 44,054	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,707	-	2,707	
	Taishin Financial Holding Co., Ltd.	-	"	2,572	46,549	0.021%	46,549	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	1,984	-	1,984	
	Vedan International (Holdings) Co.,Ltd.	-	"	1,992	3,797	0.131%	3,797	
	Total				\$ 99,091		\$ 99,091	
	<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	\$ 8,154	5.68%	\$ 8,154	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	14,141	4.32%	14,141	
	Jhong Sin investment Co.,Ltd.	-	"	1,043	23,411	0.33%	23,411	
	Total				\$ 45,706		\$ 45,706	
	<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		\$ 55,188		\$ 55,188	

**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, 2023**  
**(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	7,816	\$ 141,476	0.06%	\$ 141,476	Note
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,028	-	6,028	
	VE WONG CORPORATION	The company	"	2,294	130,521	0.96%	130,521	
				Total	\$ 278,025		\$ 278,025	
	<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		\$ 116,166		\$ 116,166	
Thai Fermentation Industry Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 132,210		\$ 132,210	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -current assets		\$ 52,033		\$ 52,033	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets		\$ 26,442		\$ 26,442	
Champion Fermentation Co.,Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 45		\$ 45	

Note : Consolidated statement has been written off.



**TABLE IV-I****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, 2023  
(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	\$ 114,592	9%	Accordance with the Company's policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	\$26,711	12%	Note
VE WONG CORPORATION	Thai Fermentation Industry Co., Ltd.	Subsidiary	Purchase	108,150	9%	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	-	-	Note

Note : Consolidated statement has been written off.

**TABLE IV-II****VE WONG CORPORATION****Information about invested business:**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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	
Thai Fermentation Industry Co., Ltd.	Saigon Ve Wong Co., Ltd.	Brother	Sales	\$ 570,253	18%	Accordance with Thai Fermentation Industry Co., Ltd.'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 in 60 days after confirming	\$28,314	23%	Note
Champion Fermentation Co.,Ltd.	Thai Fermentation Industry Co., Ltd.	Thai Fermentation Industry Co., Ltd.'s subsidiary	Sales	697,951	99%	Accordance with Champion Fermentation Co.,Ltd.'s policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	30,812	100%	Note

Note : Consolidated statement has been written off.

**TABLE IV-III****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, 2023  
(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)	\$ 114,592	-	2%
0	Ve Wong Corporation	Thai Fermentation Industry Co., Ltd.	Parent company to subsidiary	Purchases (Note3)	108,150	-	2%
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 Subsidiary	Guarantee (Note3)	143,000	-	-
1	Thai Fermentation Industry Co., Ltd.	Saigon Ve Wong Co., Ltd.	Subsidiary to Subsidiary	Purchases (Note3)	570,253	-	9%
1	Thai Fermentation Industry Co., Ltd.	Champion Fermentation Co.,Ltd.	Subsidiary to Sub-subsidiary	Purchases (Note3)	697,951	-	11%

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 V****VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2023	December 31, 2022	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%	\$ 604,371	\$ 9,376	\$ 7,140	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%	106,781	(2,450 )	(2,289 )	Note1
	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%	780,110	119,582	119,582	Note1
	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%	915,416	481,066	221,368	Note1
	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%	7,550	(28 )	(28 )	Note1
	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%	1,624,249	6,007	4,600	Note1
	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%	753	(54 )	(54 )	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%	24,505	(478 )	(311 )	Note1
	Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Biotechnology Service Industry	35,336	24,144	2,633	37.62%	8,069	(13,966 )	(5,046 )	Note2
	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	-	-	-	-	-	Note3
Total								\$ 4,071,804		\$ 344,962	

Note1 : Consolidated statement has been written off.

Note2 : The amount of the associated company Hughes Biotech. Co., Ltd.is \$8,069, which is the net amount after deducting the accumulated impairment of \$8,808.

Note3 : Please refer to Note VI (VIII).

**TABLE V-II****VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(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%	\$ 407,736	\$ 6,007	\$ 1,202	Note 1
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		4,950	4,950	495	4.95%	5,607	(2,450 )	(121 )	Note 1
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		2,000	2,000	200	5.00%	1,885	(478 )	(24 )	Note 1
	Total			\$ 404,909	\$ 404,909			\$ 415,228	\$ 3,079	\$ 1,057	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management Classification of organic fertilizers Manufacturing and sales of MSG	\$ 486	\$ 486	0.5	50.00%	\$ 3,935	\$ 444	\$ 222	Note 1 Note 2
	TFI Green Biotech Company Limited..	Thailand		4,576	4,576	50	50.00%	14,174	1,372	686	
	Champion Fermentation Co.,Ltd.	Thailand		236,289	236,289	199,995	99.99%	224,697	14,961	11,544	
	Total			\$ 241,351	\$ 241,351			\$ 242,806	\$ 16,777	\$ 12,452	

Note 1 : Consolidated statement has been written off.

Note 2 : For organizational reorganization in the third quarter of 2016, please refer to Note IV (III) for the explanation.

**TABLE VI****VE WONG CORPORATION****Major Shareholders Information**

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.	16,329,327	6.80%
VEDAN ENTERPRISE CORP.	14,537,628	6.05 %

**5. Standalone Financial Statements with Independent Auditors'  
Report for the most recent year**

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

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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.

## 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, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2023 and 2022, 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, 2023. 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, 2023 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.320. 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 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 2023 and 2022, had its financial statements not audit by us, but was audited by other accountants. In addition. Therefore, our opinion on the financial statements of Hughes Biotech (in 2023 and 2022) that the amount and various financial disclosure information listed in the financial statements of the investee companies are based on the audit reports of other accountants. As of December 31, 2023 and 2022, the above-mentioned companies used the equity method to invest in 8,069 thousand NTD and 3,225 thousand NTD, respectively, accounting for 0.11% and 0.04% of the total assets. From January 1st to December 31st, 2023 and 2022, 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 (5,046) thousand NTD and (3,013) thousand NTD, accounting for 0.22% and 0.13% 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 28, 2024

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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, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	Note	Decebmmer 31, 2023		Decebmmer 31, 2022	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>	<b>IV</b>				
Cash and cash equivalents	VI(I)	\$ 403,145	6	\$ 427,521	6
Financial assets measured at amortized cost -current assets	VI(II)	55,188	1	-	-
Notes receivable, net	VI(III)	91,544	1	90,098	1
Notes receivable-related parties	VI(III) 、 VII	1	-	-	-
Accounts receivable, net	VI(III)	193,485	2	206,161	3
Accounts receivable-related parties	VI(III) 、 VII	1,484	-	1,511	-
Other receivables- related parties	VII	93,979	1	15,779	-
Current tax assets	VI(XVII )	-	-	2,807	-
Inventories	VI(IV)	393,923	5	444,879	6
Other financial assets	VI(VII)	323,953	5	476,536	7
Prepayments and other current assets	VI(XII) 、 VII	14,154	-	13,809	-
Total current assets		1,570,856	21	1,679,101	23
<b>NONCURRENT ASSETS</b>	<b>IV</b>				
Financial assets at fair value through profit or loss	VI(V)	-	-	-	-
Financial assets at fair value through other comprehensive income	VI(VI)	144,797	2	136,805	2
Investments accounted for using equity method	VI(VIII)	4,071,804	55	4,084,242	56
Property, plant and equipment	VI(IX) 、 VIII	951,459	13	848,316	12
Right-of-use assets	VI(X)	58,376	1	26,207	-
Investments properties	VI(XI) 、 VIII	351,797	5	360,732	5
Deferred income tax assets	VI(XVII)	7,132	-	12,785	-
Prepayments form equipment		239,893	3	145,484	2
Refundable deposit		24,321	-	28,997	-
Other noncurrent assets	VI(XII) 、 VII	6,204	-	8,000	-
Total noncurrent assets		5,855,783	79	5,651,568	77
<b>TOTAL</b>		<b>\$ 7,426,639</b>	<b>100</b>	<b>\$ 7,330,669</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>	<b>IV</b>				
Short-term loans	VI(XIII) 、 VII	\$ 710,000	10	\$ 850,000	12
Notes payable		12,897	-	9,851	-
Accounts payable		167,314	2	187,553	3
Accounts payable-related parties	VII	44,042	1	44,348	1
Other payables	VII	151,219	2	164,085	2
Current tax liabilities	VI(XVII)	84,965	1	703	-
Lease liabilities-current	VI(XIV)	12,209	-	12,437	-
Other current liabilities		10,956	-	6,561	-
Total current liabilities		1,193,602	16	1,275,538	18
<b>NONCURRENT LIABILITIES</b>	<b>IV</b>				
Net defined benefit liability	VI(XV)	81,322	1	153,280	2
Deferred income tax liabilities-land value increment tax		139,094	2	139,094	2
Deferred income tax liabilities -income tax	VI(XVII)	195,891	2	205,477	3
Lease liabilities-noncurrent	VI(XIV)	44,637	1	12,405	-
Other		2,017	-	10,744	-
Total noncurrent liabilities		462,961	6	521,000	7
Total liabilities		1,656,563	22	1,796,538	25
<b>EQUITY</b>	<b>IV 、 VI(XVIII)</b>				
Capital stock					
Common shares		2,400,000	32	2,400,000	33
Capital surplus					
From treasury stock transactions		46,016	1	43,493	1
Retained earnings					
Appropriated as legal capital reserve		525,640	7	461,976	6
Appropriated as special capital reserve		1,005,964	14	1,005,964	14
Unappropriated earnings		1,716,894	23	1,569,154	21
Other equity		114,026	2	92,008	1
Treasury stock	VI(VIII) 、 VI(XIX)	(38,464)	(1)	(38,464)	(1)
Total equity		5,770,076	78	5,534,131	75
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS</b>	<b>IX 、 XII</b>				
<b>TOTAL</b>		<b>\$ 7,426,639</b>	<b>100</b>	<b>\$ 7,330,669</b>	<b>100</b>

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)

**VE WONG CORPORATION**
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Item	Note	2023		2022	
		Amount	%	Amount	%
NET REVENUE	IV - VI(XXII) - VII	\$ 2,342,099	100	\$ 2,366,704	100
OPERATING COSTS	IV - VI(IV) - VII	1,704,981	73	1,763,132	74
GROSS PROFIT		637,118	27	603,572	26
OPERATING EXPENSES					
Marketing		390,266	17	404,890	17
General and administrative		111,129	5	121,506	6
Research and development		8,464	-	7,933	-
Expected credit loss on trade receivables	IV(III) - IV(XII)	(130)	-	1,698	-
Total operating expenses		509,729	22	536,027	23
INCOME FROM OPERATIONS		127,389	5	67,545	3
NON-OPERATING INCOME AND EXPENSES	IV				
Interest income		23,637	1	9,853	-
Other income	VI(XXIII)	7,130	-	10,218	-
Other gains and losses	VI(XI) - VI(XXIV)	54,359	2	288,217	12
Finance costs	VI(XXV)	(15,243)	-	(10,317)	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	VI(VIII)	344,962	15	399,005	17
Impairment loss	VI(XXIV)	-	-	(67,876)	(3)
Total non-operating income		414,845	18	629,100	26
PROFIT BEFORE INCOME TAX		542,234	23	696,645	29
INCOME TAX EXPENSE	IV - VI(XVII)	(114,534)	(5)	(71,249)	(3)
NET PROFIT FOR THE YEAR		427,700	18	625,396	26
OTHER COMPREHENSIVE INCOME (LOSS)	IV				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit plans		44,135	2	8,923	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		12,164	-	(38,842)	(2)
Share of the other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method		28,858	1	(20,441)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		-	-	-	-
		85,157	3	(50,360)	(2)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translating the financial statements of foreign operations		(14,133)	-	120,360	5
Income tax relating to items that may be reclassified subsequently to profit or loss		-	-	-	-
		(14,133)	-	120,360	5
Other comprehensive income (loss) for the year, net of income tax		71,024	3	70,000	3
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 498,724	21	\$ 695,396	29
EARNINGS PER SHARE	IV - IV(XX)				
Basic		\$ 1.80		\$ 2.63	
Diluted		\$ 1.80		\$ 2.63	

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)

VE WONG CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Item	Ordinary Shares	Capital Surplus		Retained Earnings			Other Equity			Treasury stock	Total Equity
		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		
BALANCE, JANUARY 1, 2022	\$ 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 income (loss) for year ended December 31, 2022 net of income tax	-	-	-	-	-	11,250	120,360	(61,610)	-	-	70,000
Total comprehensive income 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
Appropriation of the 2022 earnings											
Legal reserve	-	-	-	63,664	-	(63,664)	-	-	-	-	-
Cash dividends(11%)	-	-	-	-	-	(264,000)	-	-	-	-	(264,000)
Net profit for year ended December 31, 2023	-	-	-	-	-	427,700	-	-	-	-	427,700
Other comprehensive loss for year ended December 31, 2023, net of income tax	-	-	-	-	-	45,020	(14,133)	40,137	-	-	71,024
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	472,720	(14,133)	40,137	-	-	498,724
Dividends distributed to subsidiaries to adjust capital surplus	-	2,523	-	-	-	-	-	-	-	-	2,523
Changes in equity from investments in associates accounted for using the equity method	-	-	-	-	-	(1,302)	-	-	-	-	(1,302)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	-	3,986	-	(3,986)	-	-	-
BALANCE, DECEMBER 31, 2023	\$ 2,400,000	\$ 46,016	\$ -	\$ 525,640	\$ 1,005,964	\$ 1,716,894	\$ (65,470)	\$ 179,496	\$ -	\$ (38,464)	\$ 5,770,076

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)

# VE WONG CORPORATION

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES :		
Profit before income tax	\$ 542,234	\$ 696,645
Adjustments for :		
Depreciation expense	73,686	75,076
Amortization expense	6,427	6,112
(Reversal of allowance) expected credit loss on trade receivables	(130)	1,698
(Reversal of allowance) provision for inventory market price decline	(310)	323
Loss on inventories scrap	5,870	4,705
Loss on scrapping of property, plant and equipment	213	62
Gain on disposal of property, plant and equipment	(66)	-
Gain on disposal of non-current assets held for sale	-	(126,770)
Impairment loss	-	67,876
Reversal of Investments properties impairment loss	-	(14,190)
Share of profit of subsidiaries and associates accounted for using the equity method	(344,962)	(399,005)
Finance costs	15,243	10,317
Dividend income	(7,130)	(10,218)
Interest income	(23,637)	(9,853)
Gain on fair value change of financial assets at fair value through profit or loss	-	-
Changes in operating assets and liabilities		
Decrease (increase) in notes receivable	(1,447)	12,959
Increase in trade receivables	12,833	(5,792)
Decrease in other receivables	2,800	11
Increase in prepayments and other current assets	(10,945)	(2,655)
Decrease (increase) in inventories	45,396	(69,915)
Decrease (increase) in other noncurrent assets	89	(2,491)
Increase (decrease) in notes payable and trade payable	(17,499)	4,936
Increase (decrease) in other payables	(13,030)	11,394
Increase in other current liabilities	4,395	588
Net defined benefit liabilities	(27,823)	(27,047)
Cash generated from operations	262,207	224,766
Dividends received from subsidiaries	383,946	278,056
Other dividends received	7,130	10,218
Interest received	34,237	5,153
Interest paid	(15,079)	(10,152)
Income tax received	3,943	1,229
Income tax paid	(35,341)	(31,219)
Net cash generated from operating activities	641,043	478,051
CASH FLOWS FROM INVESTING ACTIVITIES :		
Decrease (increase) in financial assets measured at amortized cost	(55,188)	82,890
Increase in financial assets at fair value through other comprehensive income	-	(2,663)
Capital reduction and return of financial assets at fair value through other comprehensive income	4,172	-
Increase in other receivables	(81,000)	-
Decrease in other financial assets	152,583	123,428
Proceeds from disposal non-current assets held for sale	-	1
Increase in investments accounted for using equity method	(11,192)	(3,894)
Acquisition of property, plant and equipment	(145,099)	(120,337)
Proceeds from disposal property, plant and equipment	666	-
Acquisition of payment for investments properties	(133)	-
Increase in prepaid equipment purchase	(103,110)	(110,037)
Decrease in refundable deposit	4,676	2,186
Increase in other noncurrent assets	(4,720)	(4,878)
Net cash used in investing activities	(238,345)	(33,304)
CASH FLOWS FROM FINANCING ACTIVITIES :		
Increase (decrease) in short-term borrowings	(140,000)	30,000
Payment of the principal portion of lease liabilities	(14,347)	(14,130)
Increase (decrease) in other noncurrent liabilities	(8,727)	7,498
Dividends paid	(264,000)	(264,000)
Net cash used in financing activities	(427,074)	(240,632)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(24,376)	204,115
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	427,521	223,406
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 403,145	\$ 427,521

The accompanying notes are an integral part of the parent company only financial statements.  
(With PKF Taiwan auditors' report dated March 28, 2024)



## VE WONG CORPORATION

### NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED DECEMBER 31, 2023 AND 2022

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

#### 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 28, 2024.

#### 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 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
Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules"	note

Note : The " International Tax Reform - Pillar Two Model Rules" released in May 2023 added new paragraphs 4A and 88A to 88D. Paragraphs 4A and 88A will apply immediately after the issuance of these amendments, and in accordance with International Accounting Standards No. 8 The provisions apply retroactively; and paragraphs 88B to 88D will apply for annual reporting periods beginning after January 1, 2023. The information required by these paragraphs is not required to be disclosed for any interim period ending before December 31, 2023.

(II) Amendments to the IFRSs issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2024.

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 "Sale and Leaseback"	January 1, 2024
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
Amendments to IAS 7 and IFRS7 "supplier arrangements"	January 1, 2024

(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
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

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 included 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.

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, 2023 and 2022, the carrying amount of deferred income tax assets was \$7,132 and \$12,785, 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, 2023 and 2022, the carrying amount of Net defined benefit liability was \$81,322 and \$153,280, 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 2023 and 2022, the book value of notes and accounts receivable was \$286,514 (after deducting allowance for impairment loss of \$1,952) and \$297,770 (after deducting allowance for impairment loss of \$2,082).

In 2023 and 2022, the Company recognized the financial asset evaluation loss of stocks of unlisted companies with no active market was \$(6,366) and \$(10,792), respectively.

## VI. Description of significant accounting items

### (I) Cash and cash equivalent

	As at December 31,	
	2023	2022
Cash	\$ 651	\$ 1,432
Checking deposits	42,350	99,383
Demand deposits	161,014	136,418
Foreign currency deposits	107,150	67,628
Fixed deposit no more than 3 months	91,980	122,660
Total	<u>\$ 403,145</u>	<u>\$ 427,521</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,	
	2023	2022
Fixed deposit no more than 3 months	5.25%	4.60%-4.83%

### (II) Financial assets measured at amortized cost -current assets

	As at December 31,	
	2023	2022
Fixed deposit -more than 3 months	\$ 55,188	\$ -
Market rate	5.20%-5.40%	-

### (III) Notes and accounts receivable, net

	As at December 31,	
	2023	2022
<u>Notes receivable</u>	\$ 91,544	\$ 90,098
<u>Notes receivable</u> - related parties	1	-
Total	<u>\$ 91,545</u>	<u>\$ 90,098</u>
<u>Accounts receivable</u>	\$ 195,437	\$ 208,243
<u>Accounts receivable</u> - related parties	1,484	1,511
Less: allowance for impairment loss	(1,952)	(2,082)
Net accounts receivable	<u>\$ 194,969</u>	<u>\$ 207,672</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, 2023 and 2022, 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,	
	2023	2022
Undue	\$ 93,680	\$ 92,325
Overdue within 30 days	-	-
Overdue for 31~60 days	-	-
Overdue over 61 days	-	-
Total	<u>\$ 93,680</u>	<u>\$ 92,325</u>

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

As at December 31, 2023			
	Book value	Rate of expected credit losses throughout the duration	Allowance for expected credit losses throughout the duration
Undue	\$ 194,744	1.00%	\$ 1,948
Overdue within 90 days	42	10.00%	4
Overdue for 91~180 days	-	50.00%	-
Overdue over 181 days	-	100.00%	-
Total	<u>\$ 194,786</u>		<u>\$ 1,952</u>

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>

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,	
	2023	2022
Beginning balance	\$ 2,082	\$ 2,022
Increase (decrease) in impairment loss	(130)	60
Ending balance	<u>\$ 1,952</u>	<u>\$ 2,082</u>

Regardless of other credit enhancements, the notes receivable that best represent the Company's credit risk exposures as of December 31, 2023 and 2022 was \$91,545 and \$90,098, respectively; the most representative of the Company the maximum amount of credit risk exposure of accounts receivable as of December 31, 2023 and 2022 were \$194,969 and \$207,672, respectively.

(IV) Inventory

	As at December 31,	
	2023	2022
Raw materials	\$ 72,735	\$ 149,962
Supplies	32,783	33,811
Work in progress	115,156	110,826
Finished goods	166,955	150,637
Goods in transit	7,861	1,520
Total	395,490	446,756
Less: Allowance to reduce inventory to market	(1,567)	(1,877)
Net	<u>\$ 393,923</u>	<u>\$ 444,879</u>

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	\$ 1,695,067	\$ 1,752,894
Rental cost	10,236	10,260
Loss on discarding of inventory	5,870	4,705
(Reversal of allowance) provision for inventory market price decline	(310)	323
Income from sale of scraps	(5,882)	(5,050)
Net	<u>\$ 1,704,981</u>	<u>\$ 1,763,132</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 2023 and 2022, the insurance coverage of inventory was \$385,977 and \$325,855, respectively.

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

	As at December 31,	
	2023	2022
Unlisted stocks	\$ -	\$ -

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

	As at December 31,	
	2023	2022
Listed stocks	\$ 65,063	\$ 65,063
Unlisted stocks	48,841	49,026
Subtotal	<u>113,904</u>	<u>114,089</u>
Valuation adjustment	30,893	22,716
Total	<u>\$ 144,797</u>	<u>\$ 136,805</u>

(VII) Other financial assets

	As at December 31,	
	2023	2022
Bank- special account for repatriation of overseas funds (Note)	\$ 300,925	\$ 465,435
Bank-restricted	23,028	11,101
Total	<u>\$ 323,953</u>	<u>\$ 476,536</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	\$ 604,371	99.99
Summit Industrial Co., Ltd.	9,505	106,781	95.05
Saigon Ve Wong Co., Ltd.	-	780,110	100.00
Thai Fermentation Industry Co., Ltd.	204	915,416	48.66
Ve Wong International Ltd.	50	7,550	100.00
Tai Ve Corporation	82,323	1,624,249	79.93
Best Founder Corporation	5,328	753	100.00
Green TFL Co., Ltd.	2,600	24,505	65.00
Subtotal		<u>4,063,735</u>	
(next)			

(continued)

Investments in associates

Unlisted companies :

Hughes Biotech. Co., Ltd.	2,633	16,877	37.62
Less: Accumlated impairment		(8,808 )	
Net		8,069	
Total		<u>\$ 4,071,804</u>	

As at December 31, 2022

Investments in subsidiaries

Unlisted companies :

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>	

Investments in associates

Unlisted companies :

Hughes Biotech. Co., Ltd.	1,514	12,033	33.65
PT Ve Wong Budi Indonesia	64	-	49.00
Subtotal		<u>12,033</u>	
Less: Accumlated impairment		(8,808 )	
Net		<u>3,225</u>	
Total		<u>\$ 4,084,242</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.
- (5) In the report issued by the entrusted Indonesian law firm on October 12, 2023, it was confirmed that the liquidation of PT Ve Wong Budi Indonesia has been completed. On November 10, 2023, the Company's board of directors approved the removal of relevant accounting items from the Company's financial statements for the investment in PT Ve Wong Budi Indonesia including investments using the equity method (account amount \$0; Original investment amount \$180,811) and other receivables (net account amount \$0; including loan and principal \$139,293, interest receivable \$165,798, advances on behalf of \$5,005 and provision for losses - others Receivables from related parties \$310,096) will not have any impact on the company's assets and profit and loss items in 2023 after deducting the accounts.

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 (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. 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, 2023 and 2022, 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 2023 and 2022, 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 2023, the Company participated in the cash capital increase of Hughes Biotech. Co., Ltd. an affiliated company, with an additional investment cost of \$11,192 and increased holdings of 1,119,000 shares. and recognized the change (decrease) in the net equity value of the investment due to the failure to increase capital in accordance with the shareholding ratio, and offset the retained earnings by \$1,302. 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.
6. 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.
7. In 2023 and 2022, Thai Fermentation Industry Co., Ltd. resolved to distribute cash dividends of \$558,052 (630,000 thousand Baht equivalent) and \$540,486 (630,000 thousand Baht equivalent). The dividends that the Company can receive according to the proportion of shareholding are \$271,572 (306,585 thousand Baht equivalent) and \$263,024 (306,585 thousand Baht equivalent); In 2023, Saigon Ve Wong Co., Ltd. resolved to distribute cash dividends of \$104,375 (79,175,531 thousand VND equivalent), the dividends that the Company can receive according to the shareholding ratio are \$104,375 (79,175,531 thousand VND equivalent); In 2023, Tai Ve Corporation resolved to distribute cash dividends of \$6,797, and the Company's dividends that can be allocated according to the shareholding ratio was 5,433; In 2023 and 2022, The World Champion Co., Ltd. resolved to distribute cash dividends of \$8,000 and \$9,600, respectively, the dividends that the Company can receive according to the shareholding ratio are \$7,999 and \$9,599, respectively. The above-mentioned surplus distributions are all regarded as investment deductions using the equity method.
8. In the 2023 and 2022, 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-Hughes Biotech. Co., Ltd. is summarized as follows :

	As at December 31,	
	2023	2022
	Hughes Biotech. Co., Ltd.	Koh Kong Sugar Industry Co., Ltd.
CURRENT ASSETS	\$ 13,665	\$ 10,118
NONCURRENT ASSETS	\$ 10,601	\$ 1,670
CURRENT LIABILITIES	\$ 2,820	\$ 1,376
NONCURRENT LIABILITIES	\$ -	\$ -

	For the years ended December 31,	
	2023	2022
NET REVENUE	\$ 3,747	\$ 1,108
GROSS PROFIT	\$ 2,344	\$ 734
NET LOSS FOR THE YEAR	\$ (13,966)	\$ (8,857)
TOTAL COMPREHENSIVE INCOME	\$ (13,966)	\$ (8,857)

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,	
	2023	2022
Net assets	\$ 21,446	\$ 10,412
Shareholding ratio	\$ 37.62%	\$ 33.65%
The company's rights	\$ 8,069	\$ 3,504
Book value of investment	\$ 8,069	\$ 3,225

(IX) Property, plant and equipment

The movement of property, plant and equipment for the years ended December 31, 2023 and 2022 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, 2022	\$ 554,865	\$ 361,164	\$ 960,940	\$ 116,738	\$ 34,202	\$ 14,435	\$ 17,616	\$ -	\$ 2,059,960
Additions	-	-	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
Additions	-	4,975	10,504	4,294	104	-	-	125,222	145,099
Disposals	-	-	(74,705)	(1,770)	(1,324)	(740)	-	-	(78,539)
Transferred	-	-	8,701	-	-	-	-	-	8,701
Balance at December 31, 2023	\$ 554,865	\$ 379,026	\$ 916,895	\$ 118,042	\$ 34,278	\$ 13,695	\$ 17,616	\$ 231,615	\$ 2,266,032

(next)



(continued)

Accumulated depreciation

Balance at January 1, 2022	\$ -	\$ 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
Disposals	-	-	(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
Depreciation	-	10,808	34,216	4,489	690	233	-	-	50,436
	-	-	(74,575)	(1,762)	(1,267)	(714)	-	-	(78,318)
Balance at December 31, 2023	\$ -	\$ 318,725	\$ 781,446	\$ 108,738	\$ 31,476	\$ 12,729	\$ 13,273	\$ -	\$ 1,266,387

Accumulated impairment

Balance at January 1, 2022	\$ 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
Balance at December 31, 2023	\$ 43,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,343	\$ -	\$ 48,186

Book value

December 31, 2022	\$ 511,022	\$ 66,134	\$ 150,590	\$ 9,507	\$ 3,445	\$ 1,225	\$ -	\$ 106,393	\$ 848,316
December 31, 2023	\$ 511,022	\$ 60,301	\$ 135,449	\$ 9,304	\$ 2,802	\$ 966	\$ -	\$ 231,615	\$ 951,459

- 1.The property and plant proved mortgage conditions, please refer to note VIII.
- 2.As of the end of 2023 and 2022, the insurance coverage of Property, plant and equipment was \$237,559 and \$236,386, respectively.
- 3.As of January 31, 2022, 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, 2023 and 20222, 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), according to the appraisal results of the Company, the fair value of the above property, plant and equipment as at December 31, 2023 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%).

(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, 2022	\$ 69,464	\$ 29,137	\$ 40,327
Depreciation	-	14,120	(14,120)
December 31, 2022	69,464	43,257	26,207
Additions	46,351	-	46,351
Depreciation	-	14,182	(14,182)
Disposals	(46,375 )	(46,375 )	-
December 31, 2023	\$ 69,440	\$ 11,064	\$ 58,376

The depreciation expenses of the right-of-use assets of the Company in 2023 and 2022 were \$14,182 and \$14,120, 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, 2022	\$ 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
Depreciation	-	133	133	-	-	133
Reversal of impairment loss	-	-	-	(9,068 )	-	(9,068 )
December 31, 2023	\$ 227,063	\$ 198,622	\$ 425,685	\$ (38,906 )	\$ (34,982 )	\$ 351,797

- 1.The cost model is adopted for the measurement after the recognition of the investments properties.
- 2.As of the end of 2023 and 2022, the insurance coverage of Investments properties was \$166,353 and \$176,173, respectively.
- 3.As of January 31, 2022, 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, 2023 and 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 2023 and 2022 was \$5,553 and \$5,470, direct operating expenses incurred was \$10,236 and \$10,260, respectively.
- 5.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 Investments properties as at December 31, 2023 has not changed significantly.

6.Regarding the evaluation method of the fair value of investments properties, in 2022, 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
Income capitalization rate	3.28%-3.80%
Comprehensive rate of capital interest in land development analysis method	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,	
	2023	2022
Prepayments to suppliers	\$ 1,601	\$ 1,143
Prepaid expenses	6,836	2,681
Other receivables	5,067	5,848
Overdue receivables	5,523	316,334
Less: allowance for impairment loss		
-overdue receivables	(5,523 )	(316,334 )
Other intangible assets	3,085	4,792
Other	3,769	7,345
Total	\$ 20,358	\$ 21,809
Current items	\$ 14,154	\$ 13,809
Noncurrent items	6,204	8,000
Total	\$ 20,358	\$ 21,809

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,	
	2023	2022
Beginning balance	\$ 316,334	\$ 314,696
Recognized impairment loss	-	1,638
write off - PT Ve Wong Budi Indonesia	(310,096 )	-
write off -other	(715 )	-
Ending balance	\$ 5,523	\$ 316,334

In 2023, the write-off allowance loss - PT Ve Wong Budi Indonesia totaled \$310,096.

Please refer to note VI(VIII).

(XIII) Short-term loans

	As at December 31,	
	2023	2022
Secured loans	\$ 510,000	\$ 650,000
Unsecured loans	200,000	200,000
Total	\$ 710,000	\$ 850,000
Range of interest rates	1.723%-2.070%	1.471%-1.900%

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, 2023			
Not later than 1 year	\$ 13,080	\$ 871	\$ 12,209
Later than 1 year and not later than 5 years	46,068	1,431	44,637
Later than 6 year	-	-	-
Total	<u>\$ 59,148</u>	<u>\$ 2,302</u>	<u>\$ 56,846</u>
Lease liabilities-current	<u>\$ 13,080</u>		<u>\$ 12,209</u>
Lease liabilities-noncurrent	<u>\$ 46,068</u>		<u>\$ 44,637</u>
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>

The interest expense of the recognized lease liability in 2023 and 2022 was \$226 and \$371, respectively.

The amount of cash outflow for leases recognized in 2023 and 2022 was \$14,347 and \$14,130, 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-the 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,	
	2023	2022
Discount rate	1.15%	1.20%
Expected rate of salary increase	3.00%	4.00%

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

	For the years ended December 31,	
	2023	2022
Current service cost	\$ 2,170	\$ 2,233
Net interest expense	1,689	1,150
Recognized in profit or loss	<u>\$ 3,859</u>	<u>\$ 3,383</u>

(3) Recognized in other comprehensive income:

	For the years ended December 31,	
	2023	2022
Remeasurement of net defined benefit liabilities	<u>\$ (44,135)</u>	<u>\$ (8,923)</u>

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

	As of December 31,	
Item	2023	2022
Present value of defined benefit obligation	\$ 500,146	\$ 571,621
Fair value of plan assets	(418,824)	(418,341)
Net defined benefit liabilities	<u>\$ 81,322</u>	<u>\$ 153,280</u>

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

	For the years ended December 31,	
	2023	2022
Balance at January 1	\$ 571,621	\$ 588,965
Current service cost	2,170	2,233
Net interest expense	6,606	3,692
Benefits paid	(40,203 )	(45,740 )
Actuarial loss - experience adjustments	(9,417 )	5,966
Actuarial loss - changes in demographic assumptions	-	1
Actuarial loss - changes in financial assumptions	(30,631 )	16,504
Balance at December 31	<u>\$ 500,146</u>	<u>\$ 571,621</u>

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

	For the years ended December 31,	
	2023	2022
Balance at January 1	\$ 418,341	\$ 399,715
Contribution by employer	22,860	24,630
Benefits paid	(31,381 )	(39,940 )
Return on plan assets	9,004	33,936
Balance at December 31	<u>\$ 418,824</u>	<u>\$ 418,341</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,			
	2023		2022	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation \$ assumptions	492,648	\$ 508,150	\$ 561,868	\$ 581,648
Calculate according to the original hypothesis	500,146	500,146	571,621	571,621
Determine the loss of benefit obligation (benefits)	(7,798 )	8,004	(9,753 )	10,027
Determine the percentage change in benefit obligations	(1.56% )	1.60%	(1.71% )	1.72%

b. Sensitivity analysis of salary adjustment rate :

	Salary adjustment rate			
	As of December 31,			
	2023		2022	
	Add 25%	Less 25%	Add 25%	Less 25%
Calculated based on simulation \$ assumptions	507,985	\$ 492,468	\$ 581,351	\$ 562,105
Calculate according to the original hypothesis	500,146	500,146	571,621	571,621
Determine the loss of benefit obligation (benefits)	7,839	(7,678)	9,730	(9,516)
Determine the percentage change in benefit obligations	1.57%	(1.54%)	1.70%	(1.66%)

(8) Expected future benefit payments are as follow

	As of December 31,	
	2023	2022
Expected to pay benefits in the next 1 year	\$ 45,104	\$ 42,157
Expected to pay benefits in the next 2~5 years	186,415	198,724
Expected to pay benefits more than 6 years	305,354	378,501
Total	<u>\$ 536,873</u>	<u>\$ 619,382</u>

(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,	
	2023	2022
The expected contributions to the plan for the next year	<u>\$ 24,000</u>	<u>\$ 25,000</u>
The average duration of the defined benefit obligation	<u>6years</u>	<u>6years</u>

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 2023 and 2022, the Company's pension contributions in accordance with the Labor Pension Act were \$15,587 and \$15,002, respectively.

(XVI) Operating lease

The Company leased investments properties in 2023 and 2022. 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, 2023 and 2022 is as follows :

	As of December 31,	
	2023	2022
Under 1 year	\$ 2,171	\$ 5,114
More than 1 year but not more than 5 years	3,276	4,914
More than 5 years	-	533
Total	<u>\$ 5,447</u>	<u>\$ 10,561</u>

(XVII) INCOME TAX

In 2023 and 2022, 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 :

Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current tax expense recognized in the current year	\$ 119,471	\$ 31,922
Income tax adjustments approved in prior years	(1,136 )	(1,229 )
Income tax adjustments on prior years	132	-
The origination and reversal of temporary differences	(3,933 )	40,556
Income tax expense recognized in profit or loss	<u>\$ 114,534</u>	<u>\$ 71,249</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,	
	2023	2022
Income before tax	\$ 542,234	\$ 696,645
Income tax expense at the statutory rate	\$ 108,447	\$ 139,328
Permanent difference	(2,585 )	(60,084 )
Temporary difference	3,933 )	(50,133
Income tax on unappropriated earnings	9,676	2,811
Income tax adjustments on prior years	(1,004 )	(1,299 )
The origination and reversal of temporary differences	(3,933 )	40,556
Income tax expense recognized in profit or loss	<u>\$ 114,534</u>	<u>\$ 71,249</u>

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

	2023	2022
Current tax expense recognized in the current year	\$ 119,471	\$ 31,922
Add : Current tax liabilities at beginning of year	703	-
Income tax adjustments on prior years	132	-
less : paid	(35,341)	(31,219)
Current tax liabilities at end of year	<u>\$ 84,965</u>	<u>\$ 703</u>

	2023	2022
Current tax assets at beginning of year	\$ 2,807	\$ 2,807
Add : Current income tax adjustment in previous years	-	1,229
Less : Current tax expense recognized in the current year	(2,807)	(1,229)
Current tax assets at end of year	<u>\$ -</u>	<u>\$ 2,807</u>

Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2023	2022
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 :

	2023					
	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(gain)	\$ 375	\$ (62)	\$ -	\$ -	\$ -	\$ 313
Unrealized exchange loss	(8,026)	2,581	-	-	-	(5,445)
Allowance for impairment loss	1,052	(145)	-	-	-	907
Unrealized employee benefit liabilities	9,844	(5,565)	-	-	-	4,279
Impairment loss on nonfinancial assets	1,514	-	-	-	-	1,514

(next)



(continued)

Others	(197,451)	7,005				(190,446)
Others	-	119	-	-	-	119
Deferred tax expense		<u>\$ 3,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Deferred tax assets						
(liabilities), net	<u>\$ (192,692)</u>					<u>\$ (188,759)</u>
Information expressed on the balance sheet						
Deferred tax assets	<u>\$ 12,785</u>					<u>\$ 7,132</u>
Deferred tax liabilities	<u>\$ 205,477</u>					<u>\$ 195,891</u>

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	15,254	(5,410)	-	-	-	9,844
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>

### 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,	
	2023	2022

Unrecognized deferred income tax assets :

Temporary difference	<u>\$ 32,204</u>	<u>\$ 94,213</u>
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#### (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,	
	2023	2022
Unrecognized deferred income tax assets (liabilities) :		
Recognized in equity	<u>\$ 13,094</u>	<u>\$ 10,267</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, 2023 and 2022, 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	<u>\$ 2,400,000</u>

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,	
	2023	2022
Treasury stock trading	<u>\$ 46,016</u>	<u>\$ 43,493</u>

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 2023, 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 28, 2023 and June 22, 2022, the Company passed the resolutions of the regular shareholders' meeting on the income distribution in 2022 and 2021, and the dividends per share and employee remuneration, directors and supervisors remuneration are as follows :

	2022	2021
Dividend per share (NTD)		
Cash	\$ 1.1	\$ 1.1
employee remuneration -Cash	\$ 14,666	\$ 10,947
Directors and supervisors remuneration	22,000	16,420
Total	\$ 36,666	\$ 27,367

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 28, 2024 to pass the 2023 surplus distribution proposal as follows :

	Earnings distribution 2023	Dividend per share (NTD) 2023
legal capital reserve	\$ 47,540	
Cash dividend	264,000	\$ 1.1
Total	\$ 311,540	

The appropriation of earnings for 2023 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>12.31.2023</u>				
The list of stocks of the Company held by the subsidiaries	The World Champion Co., Ltd.	2,293,865	-	2,293,865
<u>12.31.2022</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, 2023 and 2022 was NTD\$56.90 and NTD\$34.90, 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>Net Profit for the Year</u>		2023	2022
Profit attributable to ordinary shareholders	\$	427,700	\$ 625,396
Effect of potentially dilutive ordinary shares :			
Employees' compensation		-	-
Earnings used to calculate diluted earnings per share	\$	427,700	\$ 625,396
<u>Thousand shares</u>		2023	2022
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		237,706	237,706

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

	Belonging to operating costs	Belonging to operating expenses	Total
<u>2023</u>			
Employee benefit expenses			
Wages and salaries (Note b)	\$ 196,857	\$ 212,581	\$ 409,438
Labor/health insurance expense	24,300	22,146	46,446
Pension expense (Note a)	9,823	9,623	19,446
Director's remuneration	-	23,177	23,177
Total	\$ 230,980	\$ 267,527	\$ 498,507
Depreciation expense	\$ 55,324	\$ 18,362	\$ 73,686
Amortization expense	\$ 4,424	\$ 2,003	\$ 6,427
<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	\$ 238,263	\$ 283,496	\$ 521,759
Depreciation expense	\$ 56,058	\$ 19,018	\$ 75,076
Amortization expense	\$ 4,312	\$ 1,800	\$ 6,112

Note a : please refer to note VI(XV).

Note b : please refer to note VI(XVIII).

- 1.As of December 31, 2023 and 2022, the number of employees of the Company was 735 and 743, respectively. The number of directors who are not part-time employees are 13.
- 2.The average employee benefit expenses in 2023 and 2022 were \$658 and \$677, respectively.
- 3.The average salary costs in 2023 and 2022 were \$567 and \$590, respectively, and the average increase in salary for employees in the two years was 3.90% and 4.24%, respectively.
- 4.Supervisors'Remuneration in 2023 and 2022: 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,	
	2023	2022
Sales revenue	\$ 2,336,546	\$ 2,361,234
Rental income	5,553	5,470
Total	<u>\$ 2,342,099</u>	<u>\$ 2,366,704</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.

Details of operating income:

By region	For the years ended December 31,	
	2023	2022
Taiwan	<u>\$ 2,342,099</u>	<u>\$ 2,366,704</u>

(XXIII) Other income

	For the years ended December 31,	
	2023	2022
Dividend income		
From financial assets at fair value through other comprehensive income	<u>\$ 7,130</u>	<u>\$ 10,218</u>

(XXIV) Other gains and losses

	For the years ended December 31,	
	2023	2022
Net foreign currency exchange losses	\$ 13,861	\$ 101,311
Royalty income	7,645	8,091
Income from personnel expenses sharing	4,000	4,000
Commission income	113	74
Directors' remuneration income	24,182	21,595
Others	4,705	12,248
Gain on disposal of property, plant and equipment	66	-
Loss on disposal of property, plant and equipment	(213)	(62)
Gain on disposal of non-current assets held for sale	-	126,770
Reversal of investments properties impairment loss	-	14,190
Total	\$ 54,359	\$ 288,217

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 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 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,	
	2023	2022
Interest on bank loans	\$ 15,010	\$ 9,942
Interest on leases liabilities	226	371
Interest on deposit	7	4
Total	\$ 15,243	\$ 10,317

(XXVI) Financial instruments

1. Types of financial instruments

	As at December 31,	
	2023	2022
<u>Financial assets</u>		
Measured at amortized cost		
Cash and cash equivalents	\$ 403,145	\$ 427,521
Notes and accounts receivable	286,514	297,770
Other receivables	93,979	15,779
Other financial assets	323,953	476,536
Financial assets measured at amortized cost	55,188	-
Refundable deposit	24,321	28,997
Subtotal	1,187,100	1,246,603
Measured at fair value		
Financial assets at fair value through profit or loss	-	-
Financial assets at fair value through other comprehensive income	144,797	136,805
Total	\$ 1,331,897	\$ 1,383,408
<u>Financial liabilities</u>		
Measured at amortized cost		
Short-term loans	\$ 710,000	\$ 850,000
Notes and accounts payable	224,253	241,752
Other payables	151,219	164,085
Lease liabilities	56,846	24,842
Total	\$ 1,142,318	\$ 1,280,679

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, 2023 and 2022 decreases/increases by \$5,798 and \$6,779, 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, 2023 and 2022 decreases/increases by \$8,225 and \$7,813, 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, 2023 and 2022 increases / decreases by \$1,448 and \$1,368, 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 2023 and 2022, 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, 2023				
	Within 6 months	7~12 months	1~5 years	Over 5 years	Total
Non-derivative financial liabilities					
Short-term loans	\$ 450,000	\$ 260,000	\$ -	\$ -	\$ 710,000
Notes and accounts payable	224,253	-	-	-	224,253
Other payables	122,680	28,539	-	-	151,219
Lease liabilities	5,792	6,417	44,637	-	56,846
Total	<u>\$ 802,725</u>	<u>\$ 294,956</u>	<u>\$ 44,637</u>	<u>\$ -</u>	<u>\$ 1,142,318</u>

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	<u>\$ 985,155</u>	<u>\$ 283,119</u>	<u>\$ 12,405</u>	<u>\$ -</u>	<u>\$ 1,280,679</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, 2023</u>					
Financial Assets					
Cash and cash equivalents	USD	6,495	30.66	\$ 199,130	\$ 2,999
Notes and accounts receivable	USD	729	30.66		(890 )
Notes and accounts receivable	EUR	68	34.02	22,341	
				2,303	(8 )
Other financial assets	USD	9,815	30.66	300,925	25,181
Exchange gains and losses from general transactions					(13,421 )
Net					<u>\$ 13,861</u>

#### As at December 31, 2022

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>

	currency	Foreign Currency (thousand)	Exchange Rate	NTD (thousand)
<u>Non-Monetary items :</u>				
<u>As at December 31, 2023</u>				
Investments accounted for using equity method	USD	271	30.66	\$ 8,303
Investments accounted for using equity method	THB	1,038,593	0.8814	915,416
Investments accounted for using equity method	VND	612,788,236	0.00127305	780,110

#### As at December 31, 2022

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

## 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, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at FVTPL				
Unlisted shares	\$ -	\$ -	\$ -	\$ -
Financial assets at FVTOCI				
Listed shares	99,091	-	-	99,091
Unlisted shares	-	-	45,706	45,706
Total	<u>\$ 99,091</u>	<u>\$ -</u>	<u>\$ 45,706</u>	<u>\$ 144,797</u>
As at December 31, 2022				
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	<u>\$ 84,733</u>	<u>\$ -</u>	<u>\$ 52,072</u>	<u>\$ 136,805</u>

(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, 2023 and 2022 is as follows :

	2023	2022
Balance at January 1	\$ 52,072	\$ 62,864
Recognized in other comprehensive income	(6,366)	(10,792)
Balance at December 31	\$ 45,706	\$ 52,072

(5) In 2023 and 2022, 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, 2023 and 2022, the Company's rate of liabilities is as follows :

	As at December 31,	
	2023	2022
Total liabilities	\$ 1,656,563	\$ 1,796,538
Total assets	\$ 7,426,639	\$ 7,330,669
Rate of liabilities	22%	25%

The debt ratio as of December 31, 2023 decreased compared with the debt ratio as of December 31, 2022, mainly due to the decrease in short-term loans and Net defined benefit liability.

(XXVIII) Cash flow information

Reconciliation of liabilities arising from financing activities :

	Short-term loans
Balance at January 1, 2022	\$ 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	850,000
Financing Cash Flow :	
Increase short-term loans	2,120,000
Repayment of short-term loans	(2,260,000 )
Balance at December 31 , 2023	\$ 710,000

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
Green TFL Co., Ltd.	Subsidiaries of the Company for using the equity method
Whole Green Trading Co., Ltd.	Corporate director of the Company
PT Ve Wong Budi Indonesia	Associates of the Company for using the equity method, write-off in November 2023.

(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,			
	2023		2022	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
The World Champion Co., Ltd.	\$ 43,642	4	\$ 46,999	3
Green TFL Co., Ltd.	988	-	1,199	-
Total	\$ 44,630	4	\$ 48,198	3

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,			
	2023		2022	
	Amount	Percent of net purchases %	Amount	Percent of net purchases %
Summit Industrial Co., Ltd.	\$ 114,592	9	\$ 125,401	9
Thai Fermentation Industry Co., Ltd.	108,150	9	208,153	15
Total	\$ 222,742	18	\$ 333,554	24

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,			
	2023		2022	
	Amount	Percent of net revenue %	Amount	Percent of net revenue %
Saigon Ve Wong Co., Ltd.	\$ 397	-	\$ 478	-
Summit Industrial Co., Ltd.	200	-	231	-
Green TFL Co., Ltd.	6,701	-	2,123	-
(next)				

(continued)

Thai Fermentation Industry Co.,  
Ltd.

Whole Green Trading Co., Ltd.

Total

3,728

-

6,674

-

4

-

-

-

\$ 11,030

-

\$ 9,506

-

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, 2023 and 2022, the Company's financing provided for related party is as follows :

Name of related party	Items	As at December 31,	
		2023	2022
Tai Ve Corporation	Other receivables	\$ 81,000	\$ -
PT Ve Wong Budi Indonesia (note)	Overdue receivables	-	139,293
	Less: allowance for impairment loss	-	(139,293 )
	Net	\$ 81,000	\$ -

Note : please refer to note VI(VIII).

4.As the years ended December 31, 2023 and 2022, the Company's endorsements and guarantees providing for related party is as follows :

Name of related party	As at December 31,	
	2023	2022
Summit Industrial Co., Ltd.	\$ 50,000	\$ 50,000

5.Significant financial assets and liabilities with related parties

Items	Name of related party	As at December 31,			
		2023		2022	
		Amount	%	Amount	%
Notes receivables	Summit Industrial Co., Ltd.	\$ 1	-	\$ -	-
Accounts receivables	Green TFL Co., Ltd.	1,393	-	1,356	-
	Summit Industrial Co., Ltd.	2	-	5	-
	Saigon Ve Wong Co., Ltd.	85	-	150	-
	Whole Green Trading Co., Ltd.	4	-	-	-
Other receivables- related parties	Saigon Ve Wong Co., Ltd.	7,833	8	10,363	66
	Summit Industrial Co., Ltd.	909	1	1,204	7
	Tai Ve Corporation	4,228	5	4,200	27
	Green TFL Co., Ltd.	9	-	12	-
Prepaid expenses	Green TFL Co., Ltd.	101	1	-	-
Overdue receivables	PT Ve Wong Budi Indonesia(note)	-	-	170,803	-
Less: allowance for impairment loss	PT Ve Wong Budi Indonesia(note)	-	-	(170,803 )	-
Notes and accounts payable	Summit Industrial Co., Ltd.	26,711	12	29,504	12
	The World Champion Co., Ltd.	17,244	8	14,493	6
	Green TFL Co., Ltd.	87	-	351	-
Other payables	The World Champion Co., Ltd.	187	-	192	-
	Summit Industrial Co., Ltd.	123	-	109	-
	Green TFL Co., Ltd.	189	-	280	-

Note : please refer to note VI(VIII).

## 6. Others

Name of related party	Items	For the years ended December 31,	
		2023	2022
Saigon Ve Wong Co., Ltd.	Royalty income	\$ 7,645	\$ 8,298
Thai Fermentation Industry Co., Ltd.	Director's remuneration	24,182	21,595
Tai Ve Corporation	Other gains	4,000	4,000
Green TFL Co., Ltd.	Other gains	278	70
Summit Industrial Co., Ltd.	Operating expenses reduction	-	24
Summit Industrial Co., Ltd.	Operating expenses	-	28
The World Champion Co., Ltd.	Operating expenses	1,880	1,187

## 7. Lease

Name of related party	Items	For the years ended December 31,	
		2023	2022
Summit Industrial Co., Ltd.	Rental income	\$ 3,429	\$ 3,429
Green TFL Co., Ltd.		967	967
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,	
	2023	2022
Right-of-use assets-cost	\$ 43,899	\$ 44,677
Lease liabilities	\$ 43,899	\$ 9,136

	For the years ended December 31,	
	2023	2022
Interest on leases liabilities	\$ 56	\$ 157

## 8. Equity Transaction

The Company sold transportation equipment to Summit Industrial Co., Ltd. in 2023, with a total sales price of \$700 (tax included), and recognized realized disposal benefits of \$66 and unrealized disposal benefits of \$592 (Investments accounted for using equity method for deductions).

## 9. Endorsement / guarantee

As the years ended December 31, 2023 and 2022, 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,	
		2023	2022
Investments properties	Land and building	\$ 1,921,301	\$ 1,922,399

As the years ended December 31, 2023 and 2022, guaranteed amount of the above collateral was \$1,650,400.

#### 10. Compensation of key management personnel

Remuneration of key management personnel of the Company includes the following:

	For the years ended December 31,	
	2023	2022
Short-term employee benefits(note)	\$ 26,181	\$ 30,963

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,	
		2023	2022
Property, plant and equipment	Land and building	\$ 570,887	\$ 576,720
Investments properties	Land and building	110,029	110,029
Total		\$ 680,916	\$ 686,749

#### IX. Significant Contingent Liabilities and Unrecognized Commitments

As the years ended December 31, 2023 and 2022, the Company contingent liabilities and unrecognized commitments is as follows :

1. The unused letters of credit amount to USD\$33,000 and USD\$857,000, respectively.
2. The deposit guarantee note of the letter of credit and the purchase was \$183,000; The deposit guarantee notes received was \$93,481 and \$90,789, respectively.

#### X. Significant Disaster Loss: None

#### XI. Significant Subsequent Events: None

#### XII. Others

- (I) 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, on June 12, 2023, the salesperson was convicted of business embezzlement. As of the date of the audit report, the company has set aside 100% of the provision for losses and has applied for employee integrity insurance from the insurance company. There has been no significant impact on the company's 2023 financial statements.
- (II) The Company's subsidiary Thai Fermentation Industry Co., Ltd. had a transaction of selling equipment in the third quarter of 2023, and recognized the proceeds from the disposal of assets amounting to Baht \$50,618,000 (equivalent to NTD \$45,445,000), but there was a transaction dispute between the transaction object and the ultimate buyer, and resulted in a lawsuit. Afterwards, Thai Fermentation Industry Co., Ltd. canceled the transaction with the original transaction partner and made appropriate accounting treatment. The originally received sales price of Baht 58,529,000 was deposited with the local police investigation unit pending the outcome of the local litigation mediation and deal with. This case was mediated for the first time on March 15, 2024. As of the date of the audit report, the implementation of the mediation results is still in progress and has not been completed. The Company assesses that there is no significant impact on the accompanying parent company only financial statements of 2023. 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, 2023: Please refer to Table I.
2. Endorsements/Guarantees Providing for the year ended December 31, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : 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, 2023 : None.
9. Trading in derivative instruments for the year ended December 31, 2023 : None.

#### (II) Information on Investees :

1. Information on investees (excluding investments in mainland chian) for the year ended December 31, 2023 : Please refer to Table V.
2. Information about invested business :
  - (1) Financing provided to others in 2023 : Please refer to Table VI.
  - (2) Endorsements/Guarantees Providing in 2023 : Please refer to Table VII.
  - (3) Marketable securities held (excluding the equity held by invested subsidiaries, associates and joint ventures) for the year ended December 31, 2023: Please see TABLE VIII 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, 2023: None.
  - (5) Purchase amount of real property that exceeds NTD300 million or 20% of the paid-in capital for the year ended December 31, 2023: 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, 2023: 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, 2023: Please refer to Table IV.
  - (8) Amount receivable from related parties exceeds NTD100 million or 20% of the paid-in capital for the year ended December 31, 2023: 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 IX.

### XIV. Operating Segments Information

Please refer to the year 2023 consolidated financial statements.

**TABLE I****VE WONG CORPORATION****FINANCING PROVIDED TO OTHERS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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)	Aggregate Financing Limits(note1)
													Item	Value		
0	VEWONG CORPORATION	Tai Ve Corporation	Other current assets-other	Y	\$ 300,000	\$ 100,000	\$ 81,000	1.825%	short-term financing is necessary	-	operating turnover	\$ -	-	-	\$ 371,332	\$ 1,485,328
0	VEWONG CORPORATION	PT Ve Wong Budi Indonesia	Other noncurrent assets-other	Y	139,293	-	-	-	-	-	-	-	-	-	371,332	1,485,328 (note2)
						\$ 100,000										

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 : please refer to note VI(VIII).

**TABLE II****VE WONG CORPORATION**
**ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(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 Corporation	Summit Industrial Co., Ltd.	The Corporation owns directly over 50% ownership of the investee company.	\$ 1,485,328	\$ 50,000	\$ 50,000	\$ 43,000	\$ -	1%	\$ 2,227,992	Y	-	-

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.

**TABLE III****VE WONG CORPORATION**

**MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(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	\$ 44,054	0.007%	\$ 44,054	
	Cathay Financial Holding Co., Ltd. Preferred Stock A	-	"	45	2,707	-	2,707	
	Taishin Financial Holding Co., Ltd.	-	"	2,572	46,549	0.021%	46,549	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	43	1,984	-	1,984	
	Vedan International (Holdings) Co.,Ltd.	-	"	1,992	3,797	0.131%	3,797	
	Total				\$ 99,091		\$ 99,091	
	<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	\$ 8,154	5.68%	\$ 8,154	
	Tai Fu International (Holdings) Co., Ltd.	-	"	1,500	14,141	4.32%	14,141	
	Jhong Sin investment Co.,Ltd.	-	"	1,043	23,411	0.33%	23,411	
	Total				\$ 45,706		\$ 45,706	
	<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		\$ 55,188		\$ 55,188	

**TABLE IV-1****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, 2023  
(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	\$ 114,592	9%	Accordance with the Company's policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	\$26,711	12%	
VE WONG CORPORATION	Thai Fermentation Industry Co., Ltd.	Subsidiary	Purchase	108,150	9%	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 IV-2****VE WONG CORPORATION****Information about invested business:****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, 2023****(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	
Thai Fermentation Industry Co., Ltd.	Saigon Ve Wong Co., Ltd.	Brother	Sales	\$ 570,253	18%	Accordance with Thai Fermentation Industry Co., Ltd.'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 in 60 days after confirming	\$28,314	23%	
Champion Fermentation Co., Ltd.	Thai Fermentation Industry Co., Ltd.	Thai Fermentation Industry Co., Ltd.'s subsidiary	Sales	697,951	99%	Accordance with Champion Fermentation Co., Ltd.'s policy on credit management	The price purchased is determined based on market prices	Payment in 60 days after confirming	30,812	100%	

**TABLE V-1****VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (In Thousands of New Taiwan Dollars)**

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Remarks
				December 31, 2023	December 31, 2022	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%	\$ 604,371	\$ 9,376	\$ 7,140	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%	106,781	(2,450 )	(2,289 )	
	Saigon Ve Wong Co., Ltd.	1707 Highway 1A An Phu Dong Ward District 12, Ho Chi Minh City, Vietnam		475,328	475,328	-	100.00%	780,110	119,582	119,582	
	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%	915,416	481,066	221,368	
	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%	7,550	(28 )	(28 )	
	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%	1,624,249	6,007	4,600	Note2
	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%	753	(54 )	(54 )	
	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%	24,505	(478 )	(311 )	
	Hughes Biotech. Co., Ltd.	12F.-2, No. 420, Sec. 1, Keelung Rd., Xinyi Dist., Taipei	Biotechnology Service Industry	35,336	24,144	2,633	37.62%	8,069	(13,966 )	(5,046 )	
	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	-	-	-	-	-	Note3
Total								\$ 4,071,804		\$ 344,962	

Note1 : The amount of subsidiary Summit Industrial Co., Ltd. is \$106,781, which is the net amount after deducting unrealized disposal benefits of \$592.

Note2 : The amount of the associated company Hughes Biotech. Co., Ltd.is \$8,069, which is the net amount after deducting the accumulated impairment of \$8,808.

Note3 : Please refer to Note VI (VIII) .

**TABLE V-2****VE WONG CORPORATION**
**INFORMATION ON INVESTEEES (EXCLUDING INVESTMENTS IN MAINLAND CHINA)  
 FOR THE YEAR ENDED DECEMBER 31, 2023  
 (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%	\$ 407,736	\$ 6,007	\$ 1,202	
	Summit Industrial Co., Ltd.	6F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		4,950	4,950	495	4.95%	5,607	(2,450 )	(121 )	
	Green TFL Co., Ltd.	8F., No. 79, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei		2,000	2,000	200	5.00%	1,885	(478 )	(24 )	
	Total			\$ 404,909	\$ 404,909			\$ 415,228	\$ 3,079	\$ 1,057	
Thai Fermentation Industry Co., Ltd.	K.S.L. IT Center Co., Ltd.	Thailand	Technology Information Management Classification of organic fertilizers Manufacturing and sales of MSG	\$ 486	\$ 486	0.5	50.00%	\$ 3,935	\$ 444	\$ 222	Note
	TFI Green Biotech Company Limited..	Thailand		4,576	4,576	50	50.00%	14,174	1,372	686	
	Champion Fermentation Co.,Ltd.	Thailand		236,289	236,289	199,995	99.99%	224,697	14,961	11,544	
	Total			\$ 241,351	\$ 241,351			\$ 242,806	\$ 16,777	\$ 12,452	

Note : For organizational reorganization in the third quarter of 2016, please refer to Note VI (VIII) for the explanation.



**TABLE VI****VE WONG CORPORATION**

**Information about invested business:**  
**FINANCING PROVIDED TO OTHERS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(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(note)	Remarks
													Item	Value			
1	Thai Fermentation Industry Co., Ltd.	Visawaphah Transportation Co., Ltd.	other current assets	N	\$ 5,036	\$ -	\$ -	7%	Company that needs short-term financing	-	Operating capital	-	-	-	\$ 194,104	\$ 970,522	
2	Tai Ve Corporation	VE WONG CORPORATION	Other receivable s- related parties	Y	80,000	-	-	1.79%	Company that needs short-term financing	-	Operating capital	-	-	-	153,893	615,574	Note2

Note : 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.

**TABLE VII****VE WONG CORPORATION**

**Information about invested business:**  
**ENDORSEMENTS/GUARANTEES PROVIDED**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**(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	\$3,077,869	\$1,650,400	\$1,650,400	\$300,000	\$1,921,301	29%	\$3,077,869	-	Y	-	
2	Tai Ve Corporation	The World Champion Co., Ltd.	A subsidiary jointly owned over 90% by the Company	615,574	143,000	143,000	-	130,395	2%	923,361	-	-	-	
		Total				\$ 1,793,400								

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 VIII****VE WONG CORPORATION****Information about invested business:****MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES)****FOR THE YEAR ENDED DECEMBER 31, 2023****(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	7,816	\$ 141,476	0.06%	\$ 141,476	
	Taishin Financial Holding Co., Ltd. Class E Preferred Shares II	-	"	132	6,028	-	6,028	
	VE WONG CORPORATION	The company	"	2,294	130,521	0.96%	130,521	
				Total	\$ 278,025		\$ 278,025	
	<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		\$ 116,166		\$ 116,166	
Thai Fermentation Industry Co., Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 132,210		\$ 132,210	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -current assets		\$ 52,033		\$ 52,033	
Thai Fermentation Industry Co., Ltd.	Mutual funds	-	Financial assets measured at amortized cost -noncurrent assets		\$ 26,442		\$ 26,442	
Champion Fermentation Co.,Ltd.	Fixed deposit -more than 3 months	-	Financial assets measured at amortized cost -current assets		\$ 45		\$ 45	

**TABLE IX****VE WONG CORPORATION****Major Shareholders Information**

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.	16,329,327	6.80 %
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	2023	2022	Discretion	
			Amount	%
Current Asset	4,505,524	4,802,641	(297,117)	(6.19)
Long-term investment	344,921	330,453	14,468	4.38
Property, Plant and Equipment	5,137,246	4,746,835	390,411	8.22
Other Assets	124,736	121,037	3,699	3.06
Total Asset	10,112,427	10,000,966	111,461	1.11
Current Liabilities	1,859,137	1,975,880	(116,743)	(5.91)
Non-Current Liabilities	1,491,106	1,449,507	41,599	2.87
Total Liabilities	3,350,243	3,425,387	(75,144)	(2.19)
Capital Stock	2,400,000	2,400,000	-	-
Capital Surplus	46,016	43,493	2,523	5.80
Retained Earnings	3,248,498	3,037,094	211,404	6.96
Other Equities	114,026	92,008	22,018	23.93
Treasure Stock	(38,464)	(38,464)	-	-
Non-Controlling Interest	992,108	1,041,448	(49,340)	(4.74)
Total Equities	6,762,184	6,575,579	186,605	2.84
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:				
1. Other equity has increased, primarily due to an increase in unrealized valuation gains on financial assets measured at fair value through other comprehensive income.				



## 2. Analysis of Standalone Financial Status

Unit: NT\$ thousand

Item \ Year	2023	2022	Discretion	
			Amount	%
Current Asset	1,570,856	1,679,101	(108,245)	(6.45)
Long-term investment	4,216,601	4,221,047	(4,446)	(0.11)
Property, Plant and Equipment	1,601,525	1,380,739	220,786	15.99
Other Assets	37,657	49,782	(12,125)	(24.36)
<b>Total Asset</b>	<b>7,426,639</b>	<b>7,330,669</b>	<b>95,970</b>	<b>1.31</b>
Current Liabilities	1,193,602	1,275,538	(81,936)	(6.42)
Non-Current Liabilities	462,961	521,000	(58,039)	(11.14)
Total Liabilities	1,656,563	1,796,538	(139,975)	(7.79)
<b>Total Liabilities</b>	<b>2,400,000</b>	<b>2,400,000</b>	<b>-</b>	<b>-</b>
Capital Surplus	46,016	43,493	2,523	5.80
Retained Earnings	3,248,498	3,037,094	211,404	6.96
Other Equities	114,026	92,008	22,018	23.93
Treasure Stock	(38,464)	(38,464)	-	-
<b>Total Equities</b>	<b>5,770,076</b>	<b>5,534,131</b>	<b>235,945</b>	<b>4.26</b>
Analysis of changes in financial ratio discrepancy over 20% in the most recent two years: 1. Decrease in Other Assets: This is primarily due to a reduction in deferred tax assets. 2. Increase in Other Equity: This is mainly due to an increase in unrealized valuation gains on financial assets measured at fair value through other comprehensive income.				



## 2. Financial Performance

### 1. Analysis of Consolidated Financial Performance

Unit: NT\$ thousand

Item \ Year	2023	2022	Amount Increase (decrease)	Ratio (%)
Operating income	6,403,713	6 385 557	18,156	0.28
Operating cost	4,537,602	4,560,378	(22,776)	(0.50)
Gross profit	1,866,111	1,825,179	40,932	2.24
Operating expense	1,010,856	992,023	18,833	1.90
Profit from operations	855,255	833,156	22,099	2.65
Non-Operating Income and Expenses	64,522	287,869	(223,347)	(77.59)
Income Before Tax	919,777	1,121,025	(201,248)	(17.95)
Income tax expense	262,059	231,651	30,408	13.13
Net Profit	657,718	889,374	(231,656)	(26.05)
Other Consolidated Profit/Loss (Net Profit After Tax)	78,146	143,186	(65,040)	(45.42)
Total Comprehensive Income	735,864	1,032,560	(296,656)	(28.73)
Interest Attributable to Parent Company	427,700	625,396	(197,696)	(31.61)
Total Comprehensive Income to Parent Company	498,724	695,396	(196,672)	(28.28)

Note 1: Analysis of changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) Decrease in Non-operating Income and Expenses: This is primarily due to a reduction in foreign exchange gains and gains from the disposal of non-current assets held for sale.
- (2) Net Profit Decrease: As a result of the above factors, the net profit for this period decreased by NT\$231,656 thousand and by 26.05% compared to the previous year.
- (3) Decrease in Other Comprehensive Income: This is mainly due to an increase in exchange losses from the translation of financial statements of foreign operations.
- (4) Decrease in Total Comprehensive Income for the Period: This is primarily due to the reduction in net profit and other comprehensive income 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 2024 will remain roughly the same as the current year, with no major changes.





## 2. Analysis of Individual Financial Performance

Unit: NT\$ thousand

Item \ Year	2023	2022	Amount Increase (decrease)	Ratio (%)
Operating income	2,342,099	2,366,704	(24,605)	(1.04)
Operating cost	1,704,981	1,763,132	(58,151)	(3.30)
Gross profit	637,118	603,572	33,546	5.56
Operating expense	509,729	536,027	(26,298)	(4.91)
Profit from operations	127,389	67,545	59,844	88.60
Non-Operating Income and Expenses	414,845	629,100	(214,255)	(34.06)
Income Before Tax	542,234	696,645	(154,411)	(22.16)
Income tax expense	114,534	71,249	43,285	60.75
Net Profit	427,700	625,396	(197,696)	(31.61)
Other Consolidated Profit/Loss (Net Profit After Tax)	71,024	70,000	1,024	1.46
Total Comprehensive Income	498,724	695,396	(196,672)	(28.28)

Note 1. Description the changes in financial ratio discrepancy over 20% in the most recent two years:

- (1) **Increase in Operating Profit:** This increase is primarily due to a reduction in operating costs.
- (2) **Decrease in Non-operating Income and Expenses:** This is mainly due to a reduction in foreign exchange gains and gains from the disposal of non-current assets held for sale.
- (3) **Increase in Income Tax Expense:** This increase is primarily due to an increase in taxable income.
- (4) **Net Profit Decrease:** As a result of the above factors, the net profit for this period decreased by NT\$197,696 thousand and by 31.61% compared to the previous period.
- (5) **Decrease in Total Comprehensive Income for the Period:** This decrease is mainly due to the reduction in net profit 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 2024 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
1,288,739	1,314,630	990,623	1,612,746	-	-

1. The analysis of cash flow variations this year:

- (1) Operating activities: The net cash inflow from operating activities was NT\$1,314,630 thousand, mainly from operating income.
- (2) Investing activities: Net cash outflow from investment activities was NT\$ 389,474thousand, 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\$601,149 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
1,612,746	1,137,898	730,406	2,020,238	-	-



#### 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						
				2022	2023	2024	2025	2026	2027	2028
— Soy sauce blending equipment of Fongtien plant	Self-Owned	2024	240,000	45,161	110,678	53,995	-	-	-	-
— Instant noodle production equipment, automatic packaging equipment, and plant renovation of Fongtien plant	Self-Owned	2024	280,000	118,456	98,279	57,636		-	-	-

##### (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 2022 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 2023 was NT\$344,962,000, 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's financial management approach is conservative and stable. In recent years, due to the continued economic downturn, the central bank has maintained low discount rates since 2009 to ensure financial and price stability. However, since March 2022, in response to inflation and to sustain economic growth, the U.S. Federal Reserve has raised benchmark interest rates several times. Consequently, Taiwan has faced rising prices and severe inflation, leading the central bank to raise interest rates five times since the first quarter of 2022, totaling an increase of 75 basis points. The changes in money market interest rates in 2023 have resulted in increased borrowing costs for our company.

To meet operational needs, the group has flexibly adjusted the use of self-owned funds and bank loans. Most of the group's net floating-rate assets are due within a year, and since market interest rates are currently low, no significant interest rate risk is anticipated. The sensitivity analysis of interest rate risk is determined based on the exposure to non-derivative financial instruments as of the financial reporting period end date. If interest rates increase/decrease by 1%, the group's net profit for 2023 would decrease/increase by NT\$9,713 thousand.

The NT dollar depreciated against the U.S. dollar in 2023, but the prices of major imported raw materials decreased slightly, leading to a slight reduction in the cost of imported raw materials for our company. The depreciation of the NT dollar against the U.S. dollar had a minor impact on the company's exchange gains and losses. Some of the group's operational activities and the net investment in foreign operations are conducted in foreign currencies, exposing the company to foreign currency exchange risk. To mitigate the impact of exchange rate fluctuations on the value of foreign currency assets and future cash flows, the group uses short-term borrowings as a hedge against exchange rate risk. These financial instruments help reduce, but cannot completely eliminate, the impact of exchange rate fluctuations. The sensitivity analysis of foreign currency exchange risk is calculated based on foreign currency monetary items as of the financial reporting period end date. If the NT dollar appreciates/depreciates by 1% against the U.S. dollar, Thai baht, and Vietnamese dong, the



group's net profit for 2023 would increase/decrease by NT\$16,187 thousand.

The Company will continuously monitor the effects of interest rate, exchange rate changes, and inflation on our profits and take timely and appropriate hedging measures as needed.

**(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**

The Company provided financing endorsement guarantees to the subsidiary, Summit Packing Industrial Co., Ltd. Additionally, the Company's subsidiary Tai Ve Co., Ltd. provided land and buildings as collateral for financing to both the Company and its subsidiary, The World Champion Co., Ltd.

The Company extended a loan of NT\$100 million to the subsidiary, Tai Ve Co., Ltd.

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.**

2024 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> Spicy chicken flavor, whisky &amp; chicken flavor, whisky &amp; Chinese herbs flavor. Continue to develop in 2024 – spicy seafood flavor, curry laksa flavor,</p> <p><b>2. Bowls (1100 c.c.) –</b> Super kung-fu classic seafood flavor.</p> <p><b>3. Big Bowls(with retort pouch package) –</b> Continue to develop in 2024 – Including retort pouch : braised beef flavor, spicy beef hot pot flavor, garlic pork flavor, tonkotsu chashu pork flavor, dried noodles of black pepper pork flavor, braised pork flavor, pickled mustard greens with beef flavor. Continue to develop in 2024 – Without retort pouch : dried noodles of satay with shrimp flavor, hot and sour soup of shrimp flavor, dried noodles of takoyaki flavor, century egg with scallions flavor, dried noodles of spicy milk pot flavor, sichuan green pepper with spicy milk pot flavor.</p> <p><b>4. Non fried noodles –</b> Continue to develop in 2024 – Snack noodles —Braised beef flavor, smoked pork flavor. Continue to develop in 2024 – Prince snack noodles—Takoyaki with mustard flavor, onion soup flavor, truffle with cheese flavor.</p>	None	December, 2024	Taste acceptability& Market trend	



2024 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	<b>5. Export—</b> Exported to the USA – instant noodles pieces. Bowls (750 c.c.) exported to the USA – spicy pork thick soup flavor, pork thick soup flavor, dried noodles of spicy chicken flavor, dried noodles of chicken flavor.				
<b>Flavor Seasoning</b>	<b>1.Flavor Seasoning—</b> Institutional packaging-Chicken seasoning. <b>2. OEM products—</b> VEDAN mushroom monosodium glutamate (launched in April 2024).	None	December 2024	Taste acceptability&. Market trend	
<b>Fast Foods/ Instant Soups</b>	<b>1. Fast foods—</b> Continue to develop in 2024 — Seafood with curry, spicy vegetable with curry, braised pork rice, shred chicken, mapo tofu, rice (combine fast Foods)- braised beef brisket, curry chicken, black pepper pork <b>2. Porridges—</b> Continue to develop in 2024 — Porridge with pumpkin & red quinoa, porridge with taro & red quinoa, porridge with adlay. <b>3. Large packages—</b> Continue to develop in 2024 — Soup with water chesnut and cartilage, soup with chestnut and chicken. <b>4. Hot pot—</b> Spicy hotpot, sea food hot pot, tomato hot pot. <b>5. Braised dishes—</b> Dried tofU, spicy dried tofu, garlic dried tofu. <b>6. Snack—</b> Water chesnut, peanut. <b>7. OEM Products—</b> Continue to develop in 2024 — NIANG JIA (Eatender)— Porridge with pumpkin & red quinoa, porridge with taro & red quinoa. Leezen— Corn soup. Cooperated with Sun Ten Pharmaceutical- teenager growth, maintain health and replenish energy, Maintain health vegetable, happiness and beauty. <b>8. Clean label—</b> NIANG JIA — Porridge with pumpkin & red quinoa, porridge with taro & red quinoa, <b>9. ODM Products(TFL)—</b> Continue to develop in 2024 — TFLproducts— Green soybean paste (20kg barrel), Corn paste (20kg barrel), TFL 100% carrot (100g packet). TFLbeverages— Soy drink with jujube and walnut (340mL &.910mL) (launched in March 2023),	None	December 2023	Taste acceptability& Market trend	



2024 Research and Development Plan	Complete Progress	Additional Funds	Complete Expected Time	The leading cause of the successful results	Note
	<p>Taiwanese roasted peanut kernels and unpolished Tafalong Katepaay red rice drink for Leezen (910mL) (launched in December 2023). Product completion rate: 100%.</p> <p>Continue to develop in 2024 – ALL IN</p> <p>Theviabilityof dietary fibre: TFL Soy drink (launched in March 2024), Theviabilityof dietary fibre: TFL Soy drink with jujube and walnut (launched in March 2024), Theviabilityof dietary fibre: TFL Soy drink with almond and brown rice, PP bottle (for room temperature ) – Soy drink (Soy, Almond and brown rice, Black sesame, Jujube and walnut ), TFL Soy drink with red coix.</p>				
<b>Soy sauce</b>	<p><b>1. Non-genetically modified (Non-GMO) brewing soy sauce –</b> NIANG JIA Red mold rice soy sauce (launched in June 2023). Product completion rate: 100%. Continue to develop in 2024 – NIANG JIA Red mold rice soy sauce of gift box (To be launched 2024), Low salt soy sauce (food additive free), Truffle soy sauce.</p> <p><b>2. Non-GMO Thick soy sauce –</b> NIANG JIA Red mold rice thick soy sauce (launched in June 2023). Product completion rate: 100%. Continue to develop in 2024 – NIANG JIA Red mold rice thick soy sauce of gift box (To be launched 2024), Truffle thick soy sauce</p> <p><b>3. Non-GMO seasoning soy sauce –</b> Continue to develop in 2024 – All-purpose barbecue sauce, Fruity seasoning soy sauce (pomelo &amp;. citrus &amp;. wasabi).</p> <p><b>4. Institutional packaging seasoning soy sauce –</b> Continue to develop in 2024 – PING ROUN seasoning soy sauce (No.B3 &amp;. No.B4)20L (readjustment) (launched in April 2024)</p> <p><b>5. Export –</b> Continue to develop in 2024 – Export for soy sauce packets 8g.</p>	None	December, 2024	Taste acceptability& Market trend	



**(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 64 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**

- Involving an incident at the Taoyuan Office, where employee Hsu, Shao-Rui was accused of embezzling approximately NT\$1.26 million in payments, the company filed a criminal complaint for business embezzlement with the Taoyuan District Prosecutor's Office on July 13, 2020. After investigation, the prosecutor filed indictment number 200 in 2021, and the Taoyuan District Court, under judgment number 177 in 2023, sentenced Hsu, Shao-Rui to 11 months in prison for business embezzlement and 4 months for using forged private documents, with a two-year probation. The Company has filed a claim under the employee fidelity insurance policy.





(13) Other important risks, and mitigation measures being or to be taken: N/A.

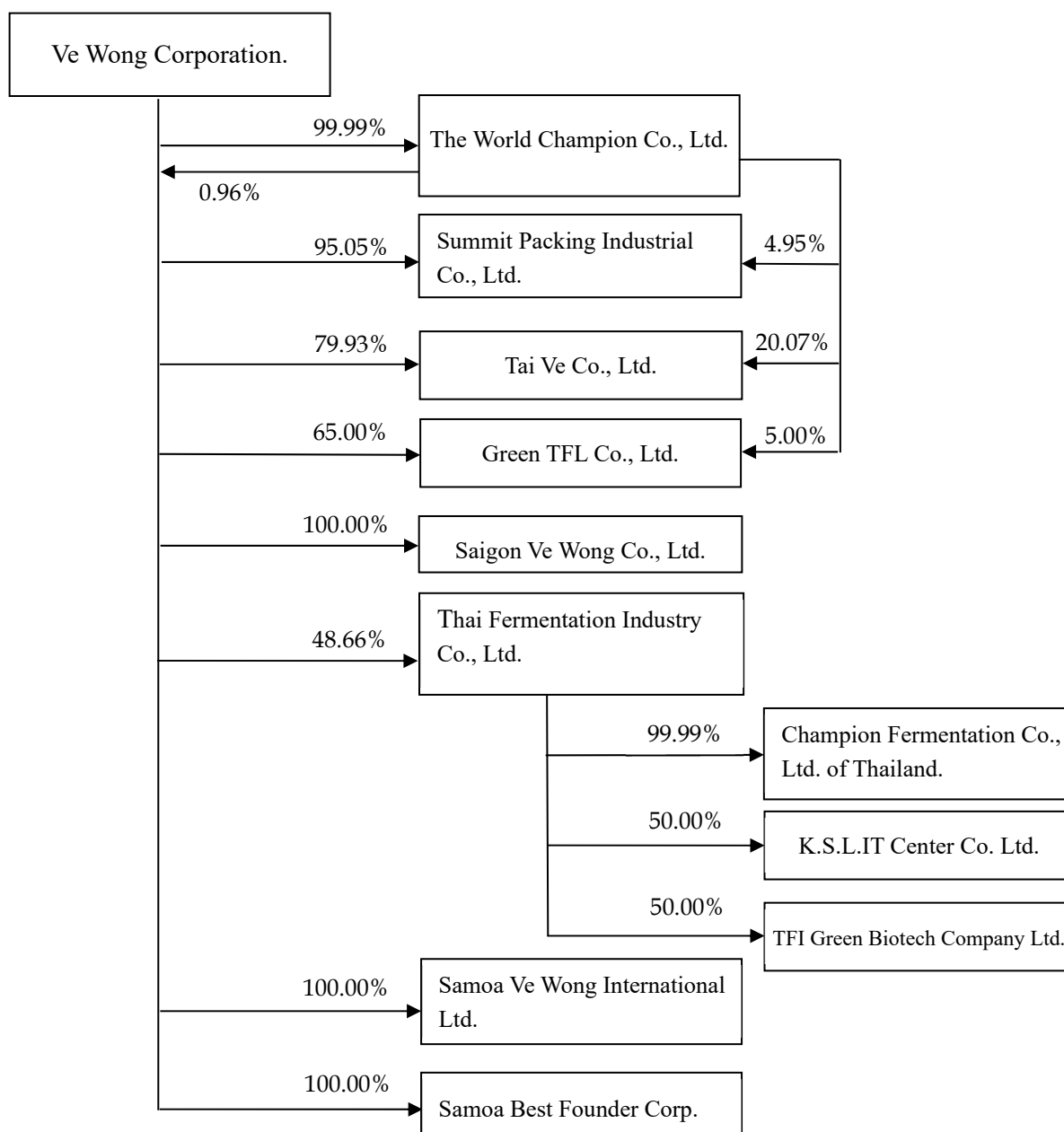
**7. Other Important Matters:** None.

## 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 : 30.660)	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 : : 0.8814)	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 : : 0.8814)	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 : : 0.8814)	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 : : 0.8814)	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 : : 30.660)	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 : : 30.660)	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, 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. Thawatchai 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. Thawatchai 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 Nakasaksewee	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, 2023 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	744,528	8,744	735,784	62,440	232	9,376	0.59
Summit Packing Industrial Co., Ltd.	100,000	249,656	136,383	113,273	276,147	(3,036)	(2,450)	(0.24)
Tai Ve Co., Ltd.	1,029,888	3,077,869	1,045,884	2,031,985	66,130	7,245	6,007	0.06
Green TFL Co., Ltd.	40,000	42,975	5,275	37,700	10,264	(669)	(478)	(0.12)
Saigon Ve Wong Co., Ltd.	475,328	928,553	196,639	731,914	1,315,274	143,214	119,583	N/A
Thai Fermentation Industry Co., Ltd.	465,200	2,432,422	491,379	1,941,043	3,174,264	559,167	481,066	1,145.39
Champion Fermentation Co., Ltd. of Thailand.	181,623	288,401	53,868	234,533	701,882	13,858	14,961	74.80
K.S.L. IT Center Co., Ltd.	972	15,386	7,516	7,870	21,851	433	466	44.60
TFI Green Biotech Company Ltd.	9,152	34,574	6,227	28,347	19,657	4,484	4,484	44.84
Samoa Ve Wong International Ltd.	1,741	7,550	-	7,550	-	(71)	(28)	(0.57)
Samoa Best Founder Corporation	169,198	753	-	753	-	(65)	(54)	(0.01)

1. The total value of assets and total liabilities are converted at the exchange rate at the end of the year: US\$ 1=NT\$30.660 Thai Baht 1= NT\$0.8814 Vietnam 1 = NT\$0.00127305

2. The amount of profit and loss is converted at the average exchange rate of the year US\$ 1=NT\$31.190 Thai Baht 1= NT\$0.8949 Vietnam 1 = NT\$0.00131509

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, 2023, 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 28, 2024

**(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醱酵

# 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！

