Stock Code: 1235

SHIN TAI INDUSTRY CO., LTD.

2023 Annual Report

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 and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System:
https://mops.twse.com.tw
2023 Annual Report is available at:
http://www.goldenbrand.com.tw

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Overseas Securities Exchange
NO

Corporate Website
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I. Report to Shareholders

Annual Business Report for Year 2023

During the year 2023, we sold a total of 1,614 metric tons of fully formulated feeds for aquaculture and livestock, which is an increase of 53 metric tons compared to the previous year, representing a growth rate of 3.4%. Additionally, we sold 703 metric tons of single-ingredient feeds, which is an increase of 401 metric tons compared to the previous year, resulting in a growth rate of 132.78%. In total, our sales for the year amounted to 2,317 metric tons.

The net operating revenue for the year 2023 was 31,977 million NT dollars, an increase of 3,362 million NT dollars compared to the previous year's net operating revenue of 28,615 million NT dollars, representing a growth rate of approximately 11.75%.

Due to the receipt of cash dividends of 5,480 million NT dollars and the recognition of the profit from investments in associated companies amounting to 112,657 million NT dollars, our net profit after tax for the year amounted to 95,215million NT dollars. Although our performance in the feed business was not outstanding, we possess valuable land assets. Moreover, our subsidiary companies and investments in listed companies have shown good revenue performance and profit growth, providing us with substantial potential benefits. Additionally, we receive stable dividend income every year. In the future, we do not rule out the possibility of realizing profits at the right time.

We hereby provide the following summary of our business operations for the year 2023:

1. Sales Overview

Unit: Metric Tons; Thousand NT Dollars

Product Category	2023		2022	
	Quantity	Amount	Quantity	Amount
Fish Feeds	1,383	22,780	1,317	20,921
Shrimp Feed	165	2,623	158	2,510
Pet Feeds (Dog/Cat)	66	2,754	86	3,567
Other Feeds	0	0	0	0
Subtotal Feeds	1,614	28,157	1,561	26,998
Single-Ingredient Feeds	703	3,873	302	1,874
Other	0	0	0	0
Total	2,317	32,030	1,863	28,872

2. Profit and Loss Overview

In the fiscal year 2023, the company had a gross loss of 623 thousand NT dollars. After deducting selling and administrative expenses, the core business incurred a loss of 12,608 thousand NT dollars. However, due to cash dividend allocation and recognition of investment income from affiliated companies, the pre-tax net profit was 97,570 thousand NT dollars, and the net profit after tax was 95,215 thousand NT dollars, resulting in an earnings per share of 1. 1 NT dollars.

3. Business Outlook

The company will continue to strengthen staff training, enhance talent, and improve feed quality. It will also expand the sales volume of high-margin aquatic feeds, which is expected to gradually improve revenue.

4. Summary of Business Plan for Year 2024

Business Policy:

(1) Comprehensive implementation of ISO quality management, continuously improving processes to achieve the goal of cost reduction and sales performance enhancement.
(2) Strengthen communication with customers, enhance customer service, meet customer needs, and create brand value.
(3) Emphasize the quality of raw material sources, strengthen raw material and finished product inspections to ensure food safety and fulfill corporate social responsibility.
(4) Enhance corporate governance.

Business Plan:

(1) Estimated sales volume of livestock feed for year 2024: 200 metric tons.
(2) Estimated sales volume of aquatic feed for year 2024: 2,000 metric tons.

5. Future Sales Overview:

Based on past performance and changes in market demand, the projected sales quantities for year 2024 are as follows:

Product Category	Chicken Feed	Duck Feed	Dog/Cat Feed	Fish Feed	Shrimp Feed	Total
Projected Quantity (2024)	100 tons	100 tons	300 tons	1,500 tons	200 tons	2,200 tons

The competition in the Taiwanese livestock and aquaculture product market is intense. Furthermore, the outbreak of avian influenza has led to a significant culling of poultry, affecting the willingness of some farmers to continue their operations. As a result, the sales of chicken and duck feed have declined. Additionally, the depreciation of the Taiwanese dollar has increased the cost of importing raw materials, and intensified price competition among industry peers, leading to a decline in feed prices. These factors have created a challenging business environment for the feed industry. To address these challenges, our company is actively integrating our research and development as well as marketing resources, improving product quality and manufacturing technology, and focusing on high-margin aquaculture feed to enhance operational efficiency.

6. Future Company Development Strategy:
   Our company's future development strategy focuses on product diversification and expanding market share to achieve long-term sustainability.

7. External Competitive Environment, Regulatory Environment, and Macro Business Environment:
   After joining the WTO, the livestock and aquatic product markets have experienced complete openness, resulting in intense competition in terms of price, quality, and service. Our company upholds the founding spirit of service, quality, and innovation to stabilize market share and expand our business scale in this competitive landscape, aiming for sustainable operation.
   The feed industry serves as a key source of protein for human consumption. With our adherence to ISO 9001:2000 quality standards and years of establishing a strong quality foundation, our company aims to provide the people with healthy, safe, and environmentally-friendly protein sources. Particularly in recent years, with frequent food safety incidents, we are committed to ensuring that our livestock and aquatic food products comply with food safety and hygiene regulations.
   We closely monitor the breeding conditions of our customers and provide timely assistance in livestock management. By offering high-quality feed, we strive for a win-win situation, where both our company and customers benefit.

Chairman: Wu Jin quan

Management Personnel: Ye Wen teng

Accounting Supervisor: Su Ling hui

II.Company Profile

2.1 Date of Incorporation: November 15,1972

2.2 Company History

Year	Milestones
1972	Founded on November 15,1972 with NT$33,000,000 capital It was co-founded by related companies Taihua Oil Industry Co., Ltd., Taicheng Flour Factory Co., Ltd., etc., and some wealthy people from the private sector.
1973	Engaged in factory construction work, and the most modern machinery and equipment were introduced by Swiss BUHLER company
1974	Shareholders meeting resolution cash capital increase to NT$9,900,000 Capital increase to NT$42,900,000 The construction of the factory is completed Started business in October and signed a technical cooperation with Japan Chubu Feed Co., Ltd. Established Lingkou Livestock Farm
1976	Shareholders meeting resolution cash capital increase to NT$19,800,000 Capital increase to NT$62,700,000 Expand the production line to increase production capacity to meet the needs of sales volume. And imported a batch of high-quality breeding pigs from abroad to improve the quality of pig breeds in Lingkou Livestock Farm
1979	Turn surplus into capital increaseNT$18,810,000 Capital increase to NT$81,510,000 Build a circular bulk warehouse to increase the safety stock of raw materials and add a bulk feed delivery system
1983	Capital reserve increase NT$24,453,000 Capital increase to NT$105,963,000 Add bulk feed finished barrel equipment
1985	Turn surplus into capital increaseNT$10,596,300 Capital increase to NT$116,559,300 Build bulk barrels for soybean powder and special refrigeration equipment for barns, introduce computer operations into the production system, and expand the premix factory. Established Rinnai Livestock Farm.
1987	Turn surplus into capital increaseNT$18,440,700 Capital increase to NT$135,000,000 The construction of an aquatic feed factory and the improvement of peripheral automation equipment, as well as the signing of technical cooperation with Pingtung Institute of Technology and the Veterinary Medical Foundation, will greatly help the technical level of the company's relevant personnel.

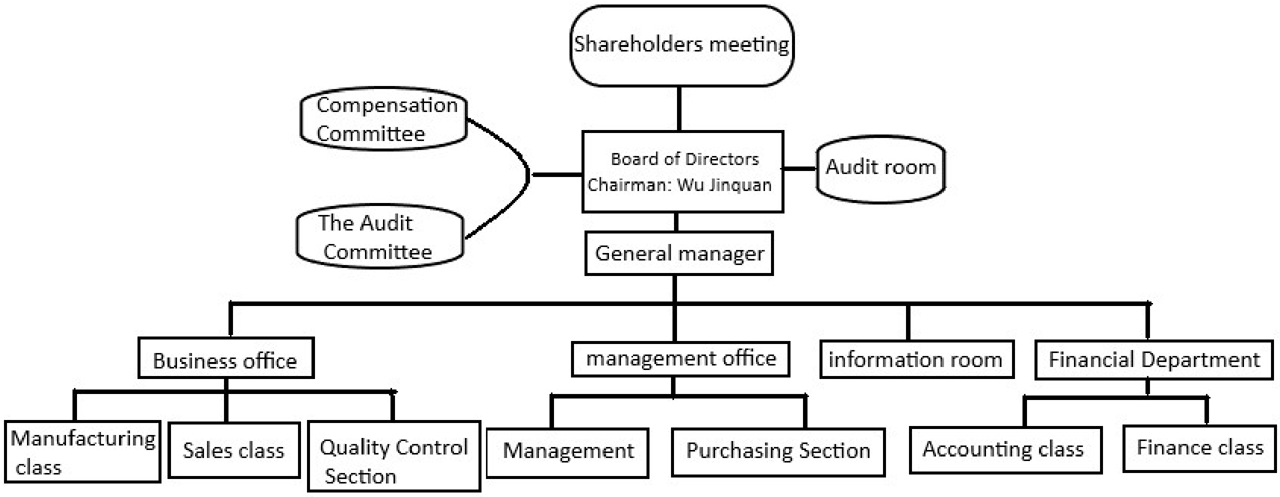
1990	Capital reserve increase NT$32,265,000 Turn surplus into capital increaseNT$12,825,000 Capital increase to NT$180,090,000 Expand the production line of the aquatic product factory to meet the market demand and update the original equipment of the granulator imported from Switzerland to improve production efficiency.
1991	cash capital increase to NT$24,507,300 Turn surplus into capital increaseNT$5,402,700 And make up for office developmentNT$180,090,000 Capital increase to NT$210,000,000 Adding pollution prevention and control equipment for Linnei and Lingkou livestock farms
1992	Expansion of the aquatic production line to produce floating feed, feed for seabass, milkfish, Nile and eel, etc.
1993	Approved by the competent authority to list and trade on the OTC
1996	Preparing to set up a mature raw material production line Turn surplus into capital increaseNT$12,600,000 Capital increase to NT$222,600,000
1997	The construction of the mature raw material production line was completed and put into production cash capital increase to NT$60,000,000 Capital reserve increase NT$11,130,000 Turn surplus into capital increaseNT$11,130,000 Capital increase to NT$304,860,000
1998	Capital reserve increase NT$12,194,400 Turn surplus into capital increaseNT$12,194,400 Capital increase to NT$329,248,800 Expansion of the second line of shrimp feed to produce feed for shrimp
1999	Turn surplus into capital increaseNT$26,339,910 Capital increase to NT$355,588,710
2000	Turn surplus into capital increaseNT$17,779,440 Capital increase to NT$373,368,150 Reviewed by Taiwan Stock Exchange Co., Ltd. and approved by the Securities and Futures Administration Commission of the Ministry of Finance as a listed stock Passed ISO9002 international certification
2002	Turn surplus into capital increaseNT$18,668,410 Capital increase to NT$392,036,560
2003	Turn surplus into capital increaseNT$19,601,830 Capital increase to NT$411,638,390
2004	treasury stock write-off NT$12,220,000 Turn surplus into capital increaseNT$44,529,410 Capital increase to NT$443,947,800
2005	treasury stock write-off NT$5,700,000 Capital increase to NT$438,247,800

2006	treasury stock write-off NT$28,340,000　Capital increase to NT$409,907,800
2007	Turn surplus and capital reserve into capital increaseNT$40,990,780 Capital increase to NT$450,898,580
2008	Turn surplus into capital increaseNT$63,125,800　Capital increase to NT$514,024,380
2009	Turn surplus into capital increaseNT$15,420,730　Capital increase to NT$529,445,110
2010	Turn surplus into capital increaseNT$15,883,350　Capital increase to NT$545,328,460
2011	Turn surplus into capital increaseNT$16,359,850　Capital increase to NT$561,688,310
2015	Turn surplus into capital increaseNT$44,935,060　Capital increase to NT$606,623,370
2018	Turn surplus into capital increaseNT$272,980,510　Capital increase to NT$879,603,880
2019	Turn surplus into capital increaseNT$109,950,480　Capital increase to NT$989,554,360
2020	Turn surplus into capital increaseNT$54,425,490　Capital increase to NT$1,043,979,850
2022	Turn surplus into capital increaseNT$292,314,350　Capital increase to NT$1,336,294,200
2023	Turn surplus into capital increaseNT$160,355,300　Capital increase to NT$1,496,649,500

III.Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Functions
General Manager's Office	General Manager— Ye Wen teng Planning, formulation, tracking and checking of the management system, and the planning, implementation, and checking of the company's personnel, sales, production, and procurement, as well as the establishment of company-wide computerization.
Management Review Committee	Review the operating results of each department, coordinate the business problems of each department, and determine the company's operating decisions.
Employee Welfare Committee	1. Deliberation, promotion, and supervision of employee welfare undertakings. 2. Matters concerning the planning, storage and use of employee welfare funds.

	3. Matters concerning the auditing and income and expenditure reporting of the allocation of employee welfare funds. 4. Other related welfare matters.
Labor Pension Reserve Oversight Board	1. Deliberations on the Appropriation of Labor Retirement Reserves. 2. Examination and supervision of the maintenance and use of labor retirement reserves. 3. Inspection matters concerning the storage and expenditure of labor retirement reserves. 4. Matters concerning the verification of retired workers and pension benefits. 5. Other matters related to the supervision of labor retirement reserves.
business office	Ye Wen long 1. Responsible for the planning and execution of livestock feed marketing strategies. 2. Counseling livestock farmers and distributors on matters related to product use, livestock breeding technology, and disease prevention and control. 3. Responsible for customer credit investigation, account collection (receipt) and other related businesses. 4. Responsible for bad debt collection. 5. The relationship between manufacturing and production, the arrangement of transportation and sales... and other related matters. 6. Responsible for the arrangement and manufacture of livestock feed production process. 7. Responsible for the maintenance and repair of machinery and equipment. 8. Responsible for purchasing and acceptance of raw materials and materials. 9. Responsible for the control and analysis of production performance and process quality. 10. Responsible for storage, transportation and

	storage of raw materials, materials and finished products. 11. Responsible for research and development of new products. 12. Responsible for product research, testing, improvement and other related business. 13. Responsible for research and development of raw materials, markets, and manufacturing procedures. 14. Responsible for testing and analyzing the quality of raw materials and finished products. 15. Responsible for the inspection and analysis of feed additives. 16. Assistance with the storage and management of the incoming materials. 17. Responsible for establishing and maintaining quality standards and controls and preventing quality variation.
management office	Ye Su mei 1. Management of personnel, general affairs and documents. 2. Management and maintenance of wealth-generating appliances and other equipment. 3. Factory and employee safety and health management. 4. Responsible for handling domestic and foreign raw material procurement related business. 5. Responsible for raw material transportation and sales and other related business. 6. Responsible for transport administration.
Financial Department	Su Ling hui 1. Responsible for account processing, cost calculation, profit and loss final accounts and other accounting processing and budget preparation, internal control, social responsibility report preparation, etc.

	2. Handle the company's related business such as stock issuance, transfer, transfer, shareholders' meeting operation, etc.
information room	Shi Yi ting 1. Maintenance of computer software, hardware and peripheral equipment. 2. Maintain the company network and data, and perform backup work, anti-virus and information security. 3. To meet the needs of information operations, go to each unit to handle connection-related operations and troubleshoot.
Audit Office of the Board of Directors	Chief Auditor - Zheng Yi jia 1. Schedule the annual audit plan, implement the routine audit and special audit of the company and its subsidiaries. 2. Supervise the self-inspection of the company and its subsidiaries to implement corporate governance.

3.2 Directors, Supervisors and Management Team

3.2.1 Directors and Supervisors

April 20,2024

Title (Note1)	Nationality/ Place of Incorporation	Name	Gender & age (Note2)	Date Elected	Term Years	Date First Elected (Note3)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education) (Note4)	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	ROC	SHIN FONG TRADING CO., LTD.	31-40 years old	0701/ 2021	06/30/ 2024	06/24/ 2019	3,408,533	3.26%	4,886,472	3.26%	0	0	0	0	NO	NO	NO	NO	NO
	ROC	Representative: Wu Jin quan	M& 61-70 years old	07/01 /2021	06/30 /2024	07/01 /2021	0	0	231,129	0.15%	2,778	0	0	0	Chung Yuan University Chairman of Taisheng Ocean Development Co., Ltd.	Chairman of the company& Chairman of Taisheng Ocean Development Co., Ltd& Chairman of Shin Fong Investment Co., Ltd	Director representative	Ye Wenteng	Second relative
Director	ROC	Nong ann Biotechnology Co., Ltd.	11-20 years old	07/01 /2021	06/30 /2024	07/01 /2021	8,726,180	8.36	12,509,851	8.36%	0	0	0	0	NO	NO	NO	NO	NO
	ROC	Representative: Ye Wen teng	M& 71-80 years old	07/01 /2021	06/30 /2024	07/01 /2021	0	0	400	0%	949,043	0.63%	0	0	Daiei Advanced Engineering General manager of the company	General manager of the company & Director of Shin Fong Investment Co., Ltd.	Director representative	Wu Jinquan	Second relative

Director	ROC	Xie Xing zhen	F& 51-60 years old	07/01 /2021	06/30 /2024	08/16 /2019	226	0%	323	0%	0	0	0	0	Master of Management, Kaohsiung University of Science and Technology Director of Perfect Harmony Internationai Co.,Ltd& Lecturer, Department of State Enterprises, Kaohsiung University of Science and Technology	Director of the Company	NO	NO	NO
Director	ROC	Wu Xin qiong	M& 61-70 years old	07/01 /2021	06/30 /2024	07/29 /2019	0	0	0	0	0	0	0	0	Director of Shin tai Miscellaneous Grains	Director of Shin Tai Miscellaneous Grains	NO	NO	NO
independent director	ROC	He Rui nan	M& 51-60 years old	07/01 /2021	06/30 /2024	06/08 /2015	0	0	0	0	0	0	0	0	Graduated from Institute of Chemistry, Chung Yuan University Lecturer, Department of Chemistry, Chung Yuan University	Remuneration Committee of the Company & Audit committee of the company	NO	NO	NO
independent director	ROC	Shen Zi wen	M& 61-70 years old	07/01 /2021	06/30 /2024	06/13 /2016	0	0	0	0	0	0	0	0	Longhua University of Science and Technology Director of Yatai Environmental Protection Engineering Co., Ltd.	Qiao Mao Business Manager& Remuneration Committee of the Company & Audit committee of the company	NO	NO	NO

independent director	ROC	Lin De hong	M& 71-80 years old	07/01 /2021	06/30 /2024	07/01 /2021	0	0	0	0	0	0	0	0	Department of Business Administration, Tamkang University Jiaxin Food Chemical Fiber Co., Ltd. Assistant Manager& Chairman of Taiwan Food Co., Ltd.	Supervisor of Darong Computer Co., Ltd.& Remuneration Committee of the Company & Audit committee of the company	NO	NO	NO

Note1: For legal person shareholders, the name of the legal person shareholder and representative should be listed separately (if it is a representative of a legal person shareholder, the name of the legal person shareholder should be indicated), and the following table 1 should be filled out

Note2: Please list the actual age and express it in intervals, such as 41~50 years old or 51~60 years old

Note3: Fill in the time when you served as a company director (including independent director) or supervisor for the first time. If there is any interruption, you should make a note to explain

Note4: Experience related to the current position. If you have worked in a verification and certification accounting firm or an affiliated company during the previous disclosure period, you should state your job title and responsible position

(1)Major shareholders of the institutional shareholders

April 20,2024

Name of Institutional Shareholders	Major Shareholders
SHIN FONG TRADING CO., LTD.	SHIN TAI INDUSTRY CO.,LTD. (100%)

Note1 If the director or supervisor is a representative of a legal person shareholder, the name of the legal person shareholder should be filled in

Note2 Fill in the name of the major shareholder of the legal person shareholder (whose shareholding ratio accounts for the top ten) and the shareholding ratio. If the major shareholder is a legal person, the following table 2 shall be filled in again.

Note3 If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder that should be disclosed in the previous opening is the name of the investor or donor (refer to the announcement of the Judiciary Yuan for inquiries) and its capital contribution or donation ratio. If the donor has passed away, add Note "dead"

(2)Major shareholders of the Company's major institutional shareholders

April 20,2024

Name of Institutional Shareholders	Major Shareholders
SHIN TAI INDUSTRY CO.,LTD.	ANN DING INVESTMENT CO.,LTD. (44.43%) TONG ANN CHEMICALS CO., LTD. (17.99%) MEI ANN BIOCHEMICAL TECHNOLOGYCO., LTD. (9.97%) NONG ANN BIOTECHNOLOGY CO., LTD. (8.36%) ANDA INVESTMENT CO.,LTD. (4.46%) SHIN FONG TRADING CO., LTD. (3.26%) ANHE INVESTMENT HOLDINGS CO., LTD. (2.35%) Wu Xing cheng (1.75%) Qin Hui ru (0.65%) Wu Mei hong (0.63%)

Note1: If the major shareholder in Table 1 above is a legal person, fill in the name of the legal person

Note2: Fill in the name of the main shareholder of the legal person (whose shareholding ratio accounts for the top ten) and its shareholding ratio

Note3: If the legal person shareholder is not a company organization, the name and shareholding ratio of the shareholder that should be disclosed in the previous opening is the name of the investor or donor (refer to the announcement of the Judiciary Yuan for inquiries) and its capital contribution or donation ratio. If the donor has passed away, add Note "dead".

Professional qualifications and independence analysis of directors and supervisors

April 20,2024

condition / Name	Professional qualifications and experience (note1)							Independence situation (note2)				Number of independent directors concurrently serving as other public offering companies
	law	Accounting	finance	Professional Services and Marketing	Commerce and Supply	Risk Management	Not covered by Article 30 of the Company Act	Whether the person, spouse, or relative within the second degree is a director, supervisor, or employee of the company or its affiliated companies	The number and proportion of the company's shares held by myself, my spouse, and relatives within the second degree (or in the name of others)	Acting as a director, supervisor or employee of a company that has a specific relationship with the company	The amount of remuneration obtained for providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years	
Representative of Shin Fong Investment Co., Ltd.：Wu Jin quan				✔	✔	✔	✔	Please refer to director information(1)	Please refer to director information(1)	Please refer to director information(1)	-	No
Representative of Nong Ann Biotechnology Co., Ltd.: Ye Wen teng				✔	✔	✔	✔	Please refer to director information(1)	Please refer to director information(1)	Please refer to director information(1)	-	No

Xie Xing zhen		✔	✔	✔			✔	-	-	-	-	No
Wu Xin qiong				✔	✔	✔	✔	-	-	-	-	No
independent director: He Rui nan				✔			✔	No	No	No	No	No
independent director: Shen Zi wen		✔		✔	✔		✔	No	No	No	No	No
independent director: Lin De hong		✔		✔	✔		✔	No	No	No	No	No

Note: 1. Professional qualifications and experience: State the professional qualifications and experience of individual directors. If you are a member of the audit committee and have accounting or financial expertise, you should state your accounting or financial background and work experience, and also state whether you have not met Article 30 of the Company Law. Various things.

Note:2. Independent directors shall state the conditions of independence, including but not limited to whether the person, spouse, and relatives within the second degree serve as directors, supervisors, or employees of the company or its affiliated companies; The number and proportion of the company’s shares held in the name of others); whether it is a company that has a specific relationship with the company (refer to the provisions of Article 3, Item 1, Subparagraphs 5 to 8 of the Measures for the Establishment of Independent Directors of Public Offering Companies and Matters to Be Followed) Directors, supervisors or employees; the amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliated companies in the last 2 years.

＊Board Diversity and Independence

1. Diversity of the board of directors: The company clearly stipulates in the "Corporate Governance Code" that the composition of the board of directors should consider diversity, regardless of gender, race and nationality. In addition to having the necessary knowledge, skills and accomplishments to perform their duties, in order to achieve the goal of corporate governance The ideal goal, the board of directors as a whole should have the ability to include 1. Operational Judgment 2. Accounting and financial analysis skills 3. Management ability 4. Crisis handling ability 5. Industry knowledge 6. International Market View 7. Leadership 8. Decision-making capacity There are 7 current directors, including 1 female director and 2 employee directors(Accounting for 14.2% and 28.6% of all directors) The company will aim to ensure that the proportion of female directors is more than 20% and the average age of directors is below 60 years old.

   As of the end of 2023, only two directors were under 60 years old, and all other directors were over 60 years old. In the future, depending on the operation of the board of directors, the operation pattern and development needs, the diversity policy will be updated in a timely manner to ensure that the members of the board of directors should generally have the knowledge, skills and accomplishments necessary to perform their duties. Educational background, gender, professional qualifications, work experience and diversity of directors, etc.

   For relevant information, please refer to this annual report (1) Information on directors and independent directors.

2. Independence of the board of directors: the company has 7 directors, including 3 independent directors(Accounting for 42.85% of all directors) Among them, all independent directors meet the requirements of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors. Two of the current directors are second-degree relatives.

3.2.2 Information on general manager, deputy general manager, assistant manager, department and branch directors

April 20,2024

Title (note1)	Nationality	Name	Gender	Date Effective	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）(note2)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship			(Note3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General manager	ROC	Ye Wen teng	M	07/01/	400	0	949,043	0.63%	0	0	Graduated from the Daiei Advanced Engineering & General manager of the company	NO	NO	NO	NO	
Business manager	ROC	Ye Wen long	M	01/01/ 2009	399	0	0	0	0	0	Graduated from the Faculty of Law, Fu Jen Catholic University & Manager	NO	NO	NO	NO	

											Of Posei Securities & General Audit				
Head of Finance	ROC	Su Ling hui	F	07/17/ 2020	0	0	491	0	0	0	Graduated from the Department of Accounting, Kunshan University of Science and Technology & Head of class of the company Finance Department	NO	NO	NO	NO
Audit Office Supervisor	ROC	Zheng Yi jia	F	04/22/ 2010	0	0	0	0	0	0	Graduated from the Department of Business Administration , Kaohsiung Air University & Director of	NO	NO	NO	NO

											the company Management Office					
Director of Information Office	ROC	Ye Wen teng	M	07/01/ 2021	400	0	949,043	0.63%	0	0	Graduated from the Daiei Advanced Engineering & General manager of the company	NO	NO	NO	NO	

Note1: It should include information on the general manager, deputy general manager, assistant manager, heads of various departments and branches, and those whose positions are equivalent to the general manager, deputy general manager or assistant manager, regardless of title, should also be disclosed.

Note2: Experience related to the current position. If you have worked in a verification and certification accounting firm or an affiliated company during the previous disclosure period, you should state your job title and responsible position.

Note3: When the general manager or person of equivalent position (top manager) and the chairman of the board are the same person, spouse or first-degree relative, the reason, rationality, necessity and countermeasures should be disclosed (such as increasing the number of independent directors, and should have More than half of the directors do not concurrently serve as employees or managers, etc.) related information.

3.2.3 Remuneration of Directors, Independent Directors, Supervisors, President, and Vice Presidents

(1) <u>Remuneration of Directors and Independent Directors</u>

Unit: NT$ thousands

job title	Name	Director's remuneration								A, B, C and D total four items and their proportions to after-tax net profit (note10)		Part-time employees receive relevant remuneration								A, B, C, D, E, F and G, etc., the total amount of the seven items and their proportions to the after-tax net profit (note10)		Receipt of remuneration from reinvestment business outside the subsidiary or parent company (note11)
		remuneration (A) (note2)		retirement pension (B)		director remuneration (C)(note3)		business execution costs (D)(note4)				Salary, bonus and special expenses, etc. (E) (note5)		retirement pension (F)		employee compensation (G) (note6)						
		Our company	All companies in the financial report (note7)	Our company	All companies in the financial report (note7)	Our company	All companies in the financial report (note7)	Our company	All company es in the financial report (note7)	Our company	All companies in the financial report	Our company	All companies in the financial report (note7)	Our company	All companies in the financial report (note7)	Our company		All companies in the financial report (note7)		Our company	All companies in the financial report	
																cash amount	stock amount	cash amount	stock amount			
Legal person director representative	Wu Jin quan	0	0	0	0	300	300	0	0	0.32%	0.32%	0	0	0	0	0	0	0	0	0.32%	0.32%	0

Legal person director representative	Ye Wen teng	0	0	0	0	300	300	0	0	0.32%	0.32%	0	0	0	0	0	0	0	0	0.32%	0.32%	0
director	Xie Xing zhen	0	0	0	0	280	280	36	36	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	0
director	Wu Xin Qiong	0	0	0	0	280	280	51	51	0.35%	0.35%	0	0	0	0	0	0	0	0	0.35%	0.35%	0
independent director	He Rui nan	0	0	0	0	280	280	36	36	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	0
independent director	Shen Zi wen	0	0	0	0	280	280	36	36	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	0
independent director	Lin De hong	0	0	0	0	280	280	36	36	0.33%	0.33%	0	0	0	0	0	0	0	0	0.33%	0.33%	0

1. Please describe the independent director's remuneration payment policy, system, standards and structure, and describe the relationship with the amount of remuneration based on the responsibilities, risks, investment time and other factors: the company provides for the amount of profit in accordance with the company's articles of association. Allocate no more than 5% to the remuneration of directors, and it shall be approved by the resolution of the remuneration committee and the board of directors.
2. In addition to the disclosure in the above table, the remuneration received by the directors of the company for providing services to all companies in the financial report (such as serving as consultants who are not employees, etc.) in the most recent year

3. Individual director's remuneration and employee remuneration are compiled based on the proposed amount, not the actual amount paid

Remuneration Grading Schedule

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company (note8)	Companies in the consolidated financial statements (note9)	The company (note8)	Companies in the consolidated financial statements (note9)
Less thanNT$ 1,000,000	Wu Jinquan, Ye Wenteng, Xie Xingzhen, Wu Xinqiu, He Ruinan, Shen Ziwen, Lin Dehong	Wu Jinquan, Ye Wenteng, Xie Xingzhen, Wu Xinqiu, He Ruinan, Shen Ziwen, Lin Dehong	Wu Jinquan, Ye Wenteng, Xie Xingzhen, Wu Xinqiu, He Ruinan, Shen Ziwen, Lin Dehong	Wu Jinquan, Ye Wenteng, Xie Xingzhen, Wu Xinqiu, He Ruinan, Shen Ziwen, Lin Dehong
NT$1,000,000 ~ NT$2,000,00				
NT$2,000,000 ~ NT$3,500,000				
NT$3,500,000 ~ NT$5,000,000				
NT$5,000,000 ~ NT$10,000,000				
NT$10,000,000~ NT$15,000,000				
NT$15,000,000 ~ NT$30,000,000				
NT$30,000,000 ~ NT$,,50,000,000				
NT$50,000,000 ~ NT$100,000,000				
Greater than or equal to NT$100,000,000				
Total	7	7	7	7

Note1: The names of the directors shall be listed separately (for legal person shareholders, the name of the legal person shareholder and the representative shall be listed separately), and the payment amounts shall be disclosed in a summary manner. If the director concurrently serves as the general manager or deputy general manager

The applicant should fill out this form and the following form (3-1) or (3-2).

Note2: Refers to the remuneration of directors in the most recent year (including director salaries, job bonuses, severance pay, various bonuses, incentives, etc.)

Note3: Fill in the amount of directors' remuneration distributed by the board of directors in the most recent year.

Note4: It refers to the relevant business execution expenses of directors in the most recent year (including transportation expenses, special expenses, various allowances, dormitory, car distribution, etc.). such as housing, car and other transportation

When paying for communication tools or exclusive individuals, the nature and cost of the assets provided, the actual or calculated rent at fair market prices, oil expenses, and other payments shall be disclosed. In addition, if there is a driver,

Please note the relevant remuneration paid by the company to the driver, but not included in the remuneration.

Note5: Refers to the salary, job bonus, severance pay, various bonuses,

Incentives, carriage fees, special expenses, various allowances, dormitories, car distribution, etc. are provided in kind. If you provide housing, cars and other means of transportation or exclusive personal expenses, you should disclose

The nature and cost of the assets provided, the actual or estimated rent, oil payment and other payments based on fair market prices. In addition, if there is a driver, please note that the company pays the driver

related remuneration, but not included in remuneration. In addition, salary expenses recognized in accordance with IFRS 2 "Share-Based Payment" include acquisition of employee stock option certificates, new shares with restricted employee rights, and participation cash

Capital increase subscription shares, etc., should also be included in the remuneration.

Note6: Refers to the employee remuneration (including stock bonuses and cash bonuses) obtained by directors and employees (including concurrently serving as general manager, deputy general manager, other managers and employees) in the most recent year.

Indicate the amount of employee remuneration distributed by the board of directors in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year shall be calculated based on the actual distribution ratio of last year, and an additional form should be filled out.

Note7: The total amount of remuneration paid to the directors of the company by all companies (including the company) in the consolidated report should be disclosed

Note8: The company pays each director the total amount of remuneration, and the name of the director is disclosed in the attributable grade

Note9:The total amount of remuneration paid to each director of the company by all companies (including the company) in the consolidated statement, and the name of the director is disclosed in the attributable level

Note10: Net profit after tax refers to net profit after tax in the most recent year

Note11(a) This column should clearly indicate "yes" or "no" for the directors of the company to receive related remunerations from other subsidiaries or the parent company

(b) If you fill in "Yes", you can voluntarily fill in the amount of remuneration received, and the remuneration received by the directors of the company when they invest in a business other than the subsidiary company or the status of the parent company should be used separately.

Incorporated into column I of the remuneration scale table, and changed the name of the column to "parent company and all reinvested enterprises".

(c) Remuneration refers to the remuneration, remuneration (including employee, director, supervisor remuneration) and business execution expenses received by the directors of the company as directors, supervisors or managers of subsidiaries or parent companies.

＊The content of the remuneration disclosed in this form is different from the concept of income in the income tax law, so this form is for information disclosure and not for taxation.

(2)Remuneration of supervisors (individual disclosure of name and method of remuneration): In accordance with Article 14-4 of the Securities and Exchange Act, the company has established an audit committee to replace the supervisor, so there is no remuneration for the supervisor.

(3) **Remuneration for general manager and deputy general manager**

Unit: NT$ thousands

Title	Name	Salary(A) (note2)		retirement pension (B)		Bonuses and Allowances (C) (note3)		Employee Compensation (D) (note4)				Ratio of total compensation (A+B+C+D) to net income (%) (note8)		Remuneration from ventures other than subsidiaries or from the parent company (Note9)
		The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company	Companies in the consolidated financial statements	The company		Companies in the consolidated financial statements (note5)		The company	Companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
General manager	Ye Wen teng	0	0	0	0	0	0	0	0	0	0	0 %	0%	0

1. Chairman&General manager not paid
2. Employee remuneration is the proposed payment amount, not the actual payment amount

Remuneration Grading Schedule

Range of Remuneration	Number of general managers and deputy general managers	
	The company	Companies in the consolidated financial statements (E)NOTE7
Less than NT$ 1,000,000	-	-
NT$1,000,000 ~ NT$2,000,000	-	-
NT$2,000,000 ~ NT$3,500,000	-	-
NT$3,500,000 ~ NT$5,000,000	-	-
NT$5,000,000 ~ NT$10,000,000	-	-
NT$10,000,000 ~ NT$15,000,000	-	-
NT$15,000,000 ~ NT$30,000,000	-	-
NT$30,000,000 ~ NT$50,000,000	-	-
NT$50,000,000 ~ NT$100,000,000	-	-
Greater than or equal to NT$100,000,000	-	-
Total	0	0

NOTE 1 : The names of the general manager and deputy general manager shall be listed separately, and the payment amount shall be disclosed in a summary manner. If the director concurrently serves as the general manager or deputy general manager, please fill out this form and the above table (1-1) or (1-2-1) and (1-2-2).

NOTE 2: The series fills in the salary of the general manager and deputy general manager in the most recent year, job bonus, retirement pension, and severance pay

NOTE 3: The series fills in the amount of various bonuses, rewards, traveling expenses, special expenses, various allowances, dormitory, car distribution and other remuneration amounts for the general manager and deputy general manager in the most recent year. When providing housing, automobiles and other means of transportation or exclusive personal expenses, the nature and cost of the assets provided, the actual or calculated rent at fair market prices, fuel and other payments shall be disclosed. In addition, if there is a driver, please note the relevant remuneration paid by the company to the driver, but it will not be included in the remuneration. In addition, salary expenses recognized in accordance with IFRS "share-based compensation", including obtaining employee stock option certificates, new shares with restricted employee rights, and participation in cash capital increase subscription shares, etc., should also be included in remuneration.

NOTE 4: It is used to fill in the employee remuneration amount (including stock bonus and cash) approved by the board of directors to distribute the general manager and deputy general manager in the most recent year. If it cannot be estimated, the proposed distribution amount for this year will be calculated according to the actual distribution amount last year, and should be filled in separately Schedule 1-3

NOTE 5: The total amount of remuneration paid to the general manager and deputy general manager of the company by all companies (including the company) in the consolidated statement should be disclosed

NOTE 6: The company pays each general manager and deputy general manager the total amount of remuneration, and discloses the names of the general manager and deputy general manager in the attribution level

NOTE 7: The total amount of remuneration paid to each general manager and deputy general manager of the company by all companies (including the company) in the consolidated statement should be disclosed, and the names of the general manager and deputy general manager should be disclosed in the attributable grade.

NOTE 8: Net profit after tax refers to the net profit after tax of individual or individual financial reports in the most recent year

NOTE 9 A: This column should clearly indicate the amount of remuneration received by the general manager and deputy general manager of the company from the reinvested business outside the subsidiary or the parent company (if there is no one, please fill in "None").

B: If the general manager and deputy general manager of the company receive relevant remuneration from the subsidiary's investment business outside the subsidiary or the parent company, the remuneration received by the company's general manager and deputy general manager from the subsidiary's investment business outside the subsidiary or the parent company shall be incorporated into the In Column E of the Remuneration Gradation Table, change the name of the column to "Parent Company and All Reinvested Enterprises".

C: Remuneration refers to the remuneration, remuneration (including employee, director and supervisor remuneration) and business execution expenses received by the general manager and deputy general manager of the company as a director, supervisor or manager of a subsidiary invested in a business outside the subsidiary. Remuneration

＊The content of the remuneration disclosed in this form is different from the concept of income in the income tax law, so this form is for information disclosure and not for taxation

The name of the manager who distributes employee remuneration and the distribution situation

April 20, 2024

	title（NOTE1）	Name（NOTE1）	stock amount	cash amount	total	Proportion of total amount to net profit after tax（%）
manager	Head of Finance	Su Lin ghui	0	200,000	200,000	0.21%
	business manager	Ye Wen long				

NOTE1: Individual names and titles should be disclosed, but the distribution of earnings can be disclosed in an aggregated manner

NOTE2: Fill in the amount of employee remuneration (including stock and cash) distributed by the board of directors in the most recent year. If it is impossible to estimate, calculate the proposed distribution amount for this year based on the actual distribution amount last year. Net profit after tax refers to the net profit after tax of an individual or individual financial report in the most recent year.

NOTE3: The scope of application of the manager is based on the provisions of the Taiwan Caizheng Sanzi No. 0920001301 Letter on March 27, 2003. The scope is as follows:

(1) General Manager and equivalent

(2) Deputy General Manager and equivalent
(3) Associate and equivalent
(4) Head of Finance Department
(5) Head of Accounting Department
(6) Others who have management affairs for the company and have the right to sign

3.2.4 Analysis of the proportion of the total remuneration paid to the company's directors, general manager and deputy general manager in the last two years by the company and all companies in the consolidated statement to the after-tax net profit, the policy, standard and combination of payment, the procedure for setting remuneration, business performance and future Criticality of risk:

year / project	2023 parent company	2022 parent company	Increase (decrease) ratio
Total remuneration of directors and managers	2,000,000	3,500,000	(42.86)%
After-tax surplus	95,214,943	169,195,266	(43.72)%
Remuneration as a percentage of after-tax earnings	2.1%	2.07%	1.45%

(1). The remuneration of the company's directors (including independent directors) has been clearly stipulated in the company's articles of association, and the manager's remuneration is approved by the board of directors.
(2). The remuneration payment policy is based on its business performance, seniority, education experience, and is handled in accordance with the company's salary system, and there is no future risk.

3.3 Corporate Governance Operation

3.3.1 Information on the operation of the board of directors

There were 5 meetings of the board of directors in 2023 (A). The attendance of directors and supervisors is as follows:

Job title	Name (note1)	The actual number Of (column) (B)	Entrusted Attendance	Actual attendance rate (%) 【B/A】(note2)	Remark
director	Shin Fong Investment Co., Ltd. Representative: Wu Jin quan	4	1	80%	election date：2021.7.1 Term until：2024.6.30
director	Nong Ann Biotechnology Co., Ltd. Representative: Ye Wen teng	5	0	100%	election date：2021.7.1 Term until：2024.6.30
director	Xie Xing zhen	5	0	100%	election date：2021.7.1 Term until：2024.6.30
director	Wu Xin qiong	5	0	100%	election date：2021.7.1 Term until：2024.6.30
independent director	He Rui nan	5	0	100%	election date：2021.7.1 Term until：2024.6.30
independent director	Shen Zi wen	5	0	100%	election date：2021.7.1 Term until：2024.6.30
independent director	Lin De hong	5	0	100%	election date：2021.7.1 Term until：2024.6.30

Other matters to be recorded：

(1) For the matters listed in Article 14-3 of the Securities and Exchange Act and other resolutions of the board of directors that have been objected or reserved by independent directors and have records or written statements, the date, period, content of the proposal, opinions of all independent directors and the company's opinion on the board of directors shall be stated. Handling of opinions of independent directors: Independent directors of the company have no objection or reservation to the proposals of the board meeting。

(2) The implementation of directors' recusal of interest-related proposals shall state the director's name, content of the proposal, reasons for recusal of interests, and participation in voting: None。

(3) Listed OTC companies shall disclose information such as the board's self (or peer) evaluation or evaluation cycle and period, evaluation scope, method, and evaluation content, and fill in Attachment 2 (2) Board evaluation implementation status. The board of directors commented that it will be implemented in 2020

（4）The goals of strengthening the functions of the board of directors in the current year and the most recent year (such as the establishment of an audit committee, the improvement of information transparency, etc.) and the evaluation of the implementation situation: the audit committee was established on July 1, 2021.

NOTE1: Where the directors and supervisors are legal persons, the names of the legal person shareholders and their representatives shall be disclosed

NOTE2:(1) If a director or supervisor resigns before the end of the year, the date of resignation shall be indicated in the remarks column, and the actual attendance rate (%) shall be calculated based on the number of meetings of the board of directors and the number of actual attendance during the term of office.

(2) Before the end of the year, if there is a re-election of directors and supervisors, both the new and old directors and supervisors should be listed, and the directors and supervisors should be the former, new or re-elected and the date of re-election in the remarks column. Actual attendance (list) rate (%) is calculated based on the number of board meetings and the number of actual attendance (list) during his tenure

3.3.2 Implementation status of the board of directors appraisal: implemented since 2020

evaluation cycle / evaluation period	Assessment scope	Evaluation method (NOTE1)	assessment content	evaluation result
Once a year Evaluate the performance of the Board of Directors from January 1, 2023 to December 31, 2023.	1. Board Performance Evaluation 2. Performance evaluation of individual directors 3. 3. Functional Committee Performance Evaluation	1. Internal self-evaluation of the board of directors Questionnaire 2. Self-evaluation of board members Questionnaire 3. Functional Committee Performance Appraisal Self-Assessment Questionnaire	**Board Self-Assessment** 1.Involvement in company operations 2.Improving the quality of board decision-making 3.Board Composition and Structure 4.Election and Continuing Education of Directors 5. Internal Control **Board Member Self-Assessment** 1. Mastery of company goals and tasks 2. Awareness of Directors' Responsibilities 3. Involvement in company operations 4. Internal relationship management and communication 5. Professional and Continuing Education for Directors 6. Internal Control **Functional Committee Self-Assessment** 1. Involvement in company operations 2. Functional Committee Responsibilities	Evaluate the overall operation of the board of directors and various functional committees, which meet the requirements of corporate governance, and make suggestions and improvement measures based on the evaluation results to enhance the proactiveness of the board of directors. It is recommended to invite accountants to attend the board meeting at least twice a year, and conduct sufficient

			Awareness 3. Improving the quality of decision-making by functional committees 4. Functional Committee Composition and Member Appointment 5. Internal Control	communication and exchanges to help them understand the company better.

Note 1: Evaluation methods include internal self-evaluation by the board of directors, self-evaluation by directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

3.3.3 Operation of the Audit Committee

1.The Audit Committee held 5 meetings in the most recent year, and the attendance status is as follows:

job title	Name	Actual number of attendance (B)	Actual attendance rate (%) (B/A) (Note)	Remark
independent director	He Rui nan	5	100%	election date：2021.7.1 Term until：2024.6.30
independent director	Shen Zi wen	5	100%	election date：2021.7.1 Term until：2024.6.30
independent director	Lin De hong	5	100%	election date：2021.7.1 Term until：2024.6.30
Other matters to be recorded： (1) If any of the following situations occurs in the operation of the audit committee, the audit committee meeting date, period, content of proposals, independent directors' objections, reserved opinions, or content of major				

proposals, the results of the audit committee's resolutions, and the company's opinions on the audit committee shall be stated. Handling: None. A. Matters listed in Article 14-5 of the Securities Exchange Act. B. In addition to the above-mentioned matters, other resolutions that have not been passed by the Audit Committee and approved by more than two-thirds of all directors。 (2) The independent director's implementation of the recusal of the stake-related proposal shall state the name of the independent director, the content of the proposal, the reason for the resignation of the interest, and the participation in voting: no such situation. (3) Communications between independent directors and internal audit supervisors and accountants (should include major issues, methods and results of communication on the company's financial and business conditions): None.

Note 1: If an independent director resigns before the end of the year, the resignation date should be indicated in the remarks column, and the actual attendance rate (%) is calculated based on the number of audit committee meetings and actual attendance during the term of office.

Note 2: Before the end of the year, if there is re-election of independent directors, both the new and old independent directors should be listed, and the independent directors should be indicated in the remarks column as the old, new or re-elected and re-election date. The actual attendance rate (%) is calculated based on the number of audit committee meetings and the number of actual attendance during his tenure.

2. Audit Committee Powers and Annual Work Focus：

(1) Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Law.

(2) Assessment of the effectiveness of the internal control system.

(3) Pursuant to the provisions of Article 36-1 of the Securities and Exchange Law, stipulate or amend the acquisition or disposal of assets, and engage in derivative commodity transactions、Handling procedures for major financial business behaviors such as lending funds to others, endorsing or providing guarantees for others.

(4) Matters involving directors' own interests.

(5) Significant asset or derivative transaction.

(6) Significant capital loan, endorsement or provision of guarantee.

(7) Raising, issuing or private placement of securities with equity nature.
(8) Appointment, dismissal or remuneration of certified accountants and assessment of their independence and competence.
(9) Appointment and dismissal of financial, accounting or internal audit supervisors.
(10) Mid-year and annual financial reports.
(11) Other important matters stipulated by the company or the competent authority.

3.Discussion items and resolution results of the Audit Committee in the most recent year

date	Discussion items	Resolution situation	The company's handling of the audit committee's opinions
2023.03.28	1. The 2022 annual individual financial statements and consolidated statements were submitted for review. 2. 2022annual business report case, submitted for verification. 3. The 2022 statement on the internal control system was submitted for approval. 4. Please review and approve the company's 2022 profit distribution plan. and submit to shareholders in accordance with regulationsoften admitted.	Passed without objection	no such situation
2023.04.24	1. The company's 2022 earnings distribution plan was re-drafted and submitted for review.	Passed without objection	no such situation

	2. The proposal to amend the rules of procedure of the Company's shareholders' meeting is submitted for approval.		
2023.05.12	1. Consolidated financial statements for the first quarter of 2023, submitted for review. 2. Establish a corporate governance supervisor case in accordance with regulations and submit it for review and approval.	Passed without objection	no such situation
2023.08.11	The consolidated financial statement case for the second quarter of 2023 was submitted for review.	Passed without objection	no such situation
2023.11.10	1. The consolidated financial statement for the third quarter of 2023 was submitted for consideration. 2. The 2024 internal audit plan was submitted for review. 3. The case of the new appointment of the company's information security manager is proposed for discussion. 4. Investment in " Tai Yu Network & Communication Inc ."Request ratification.	Passed without objection	no such situation

3.3.4 The composition, duties and operation of the Remuneration Committee:

1. Composition: The Remuneration Committee is composed of three members: He Rui nan, Shen Zi wen and Lin De hong.
2. Responsibilities: To assist the board of directors in implementing and evaluating whether the company's overall salary and welfare policies and the salary of managers are appropriate.

(1) Salary and Remuneration Committee Member Information

identity (NOTE1)	condition / Name	Professional qualifications and experience (NOTE 2)	Independence situation (NOTE 3)	The number of members of the remuneration committee of other publicly issued companies
Independent director convener	Shen Zi wen	Director of Yatai Environmental Protection Engineering Co., Ltd. Qiao Mao Business Manager	• Independent directors, their spouses, and relatives within the second degree are not directors, supervisors, or employees of the company or its affiliated companies • Does not hold the number of shares of the company • Not serving as a director, supervisor or employee of a company that has a specific relationship with the company	0

independent director	He Rui nan	Lecturer, Department of Chemistry, Chung Yuan University	• Independent directors, their spouses, and relatives within the second degree are not directors, supervisors, or employees of the company or its affiliated companies • Does not hold the number of shares of the company • Not serving as a director, supervisor or employee of a company that has a specific relationship with the company	0
independent director	Lin De hong	Jiaxin Food Chemical Fiber Co., Ltd. Assistant Manager 、 Chairman of Taiwan Food Co., Ltd. Supervisor of Darong Computer Co., Ltd.	• Independent directors, their spouses, and relatives within the second degree are not directors, supervisors, or employees of the company or its affiliated companies • Does not hold the number of shares of the company • Not serving as a director, supervisor or employee of a company that has a specific relationship with the company	0

Note 1: Please specify in the form the relevant working years, professional qualifications and experience, and independence of each member of the remuneration committee. If you are an independent director, please refer to page 7 (1) Information about directors and independent directors. Please fill in the identity as independent director or other (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: State the professional qualifications and experience of individual salary and compensation committee members.

Note 3: Independence conditions: Describe the independence conditions of the members of the salary and compensation committee, including but not limited to whether the person, spouse, and relatives within the second degree are the directors, supervisors or employees of the company or its affiliated companies; , spouse, relatives within the second degree (or in the name of others) hold the number and proportion of the company's shares; Directors, supervisors, or employees specified in Subparagraphs 5 to 8 of Item 1 of Article 6); the amount of remuneration received for providing business, legal, financial, and accounting services to the company or its affiliated companies in the last two years.

Note 4: For the method of disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

(2) <u>Information on the operation of the remuneration committee</u>

1. The company's remuneration committee has 3 members。
2. Last term of office：June 25, 2018 to June 24, 2021，The most recent annual remuneration committee meeting 1 time
3. The current term of office：August 11, 2021 to June 30, 2024，The most recent annual remuneration committee meeting 2 times

(Ａ)Member qualifications and attendance are as follows：

job title	Name	Actual number of attendance (B)	Entrusted Attendance	Actual attendance rate (%) (B/A) (Note)	Remark
convener	Shen Zi wen	2	0	100%	re-elected (date of appointment：2021.8.11）
Remuneration Committee	He Rui nan	2	0	100%	re-elected (date of appointment：2021.8.11）
Remuneration Committee	Lin De hong	2	0	100%	re-elected（date of appointment：2021.8.11）

Other matters to be recorded：

(1) If the board of directors does not adopt or amend the suggestion of the salary and compensation committee, it shall state the date, period, content of the proposal, the result of the resolution of the board of directors, and the company's handling of the opinions of the salary and compensation committee (such as the salary approved by the board of directors is better than that of the salary and compensation committee). Suggestions should describe the differences and reasons). None this year.

(2)For the resolutions of the salary and compensation committee, if members have objections or reservations and there are records or written statements, the date, period, content of the proposal, all members' opinions and the handling of the members' opinions shall be stated. None this year.

Note1: If a member of the Compensation Committee resigns before the end of the year, the resignation date should be indicated in the remarks column, and the actual attendance rate (%) is calculated based on the number of meetings of the Compensation Committee during the term of office and the actual number of attendance.

Note2: Before the end of the year, if the remuneration committee is re-elected, both the new and former members of the remuneration committee should be listed, and the member's former, new or re-election date should be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings of the Remuneration Committee during his tenure and the number of actual attendance

4. Discussion items and resolution results of the most recent annual remuneration committee:

date	Discussion items	Resolution situation	The company's handling of the remuneration committee's opinions
2023.03.28	Review the company's 2021 annual remuneration for directors and supervisors and distribution of employee remuneration.	Objection passed	no such situation
2023.11.10	The 2021 annual manager employee compensation payment case is submitted for approval.	Objection passed	no such situation

3.3.5 Managers participate in advanced training and training related to corporate governance

manager name / job title	Course Title / organizer	hours
Ye Wen- teng / General Manager	Publicity meeting on action plans for sustainable development of listed companies / TWSE	3
Ye Wen- teng / General Manager	2023 Annual Insider Trading Prevention Promotion Conference / Securities and Futures Institute	3
Su Ling hui / Corporate Governance Officer	Publicity meeting on action plans for sustainable development of listed companies / TWSE	3
Su Ling hui / Corporate Governance Officer	2023 Annual Insider Trading Prevention Promotion Conference / Securities and Futures Institute	3
Su Ling hui / Corporate Governance Officer	2023 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session / Securities and Futures Institute	3
Su Ling hui / Corporate Governance Officer	Net Zero Sustainable Talent Training Class-Carbon Governance and Sustainable Ecosystem / Taiwan Corporate Governance Association	9
Su Ling hui / Financial Officer	Continuing training courses for accounting supervisors of issuers, securities companies and stock exchanges / Accounting Research and Development Foundation	12
Zheng Yi jia / General Audit	Internal audit and internal control personal information law practical operation / Internal Auditors Association	6
Zheng Yi jia / General Audit	Reading, analysis and application of financial statements / Internal Auditors Association	6

3.3.6 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
1.Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	V		With reference to the "Code of Practice for Corporate Governance of Listed OTC Companies" in December 2015, the company formulated the "Company Governance Code of Practice", which was later amended and adopted by the board of directors on December 26, 2022 and implemented accordingly, and disclosed on the public information observatory and the company website。	not applicable
2.Shareholding structure & shareholders' rights				
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?		V	(1) None, the stock affairs unit and spokesperson are responsible for handling related issues。	(1) not applicable
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		(2) Shareholders' shareholding information provided by stock affairs agencies Keep track of major shareholders' shareholdings。	(2) coincidence
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		(3) Establish the accounting management system and internal control system and other implementation control mechanisms in accordance with relevant laws and regulations to reduce risks.	(3) coincidence

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		4) There are "internal major information processing and insider trading prevention management procedures" as norms, and the relevant lawsand regulations are not regularly publicized to insiders.	(4) coincidence
3.Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V		(1).In addition to one female member of the board of directors, they also come from different professional fields, including accounting, law, management, environmental protection, marketing, etc. Independent director Shen Ziwen has expertise in the field of environmental protection. With the recent rising awareness of environmental protection, he provides suggestions on environmental protection to the company , independent director He Ruinan has chemical engineering expertise and has taught in universities for a long time. Xie Xingzhen has corporate management and international trade expertise and provides advice on company management. The board members meet the operating model and development needs.	(1) coincidence
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		V	(2) Established Audit Committee in 2021.	(2) notapplicable
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to	V			

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?			(3) Formulate relevant measures and implement them from 2020。	(3) coincidence
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) The financial department of the company evaluates the independence of certified accountants once a year, and reports the results of the evaluation The result will be sent to the board of directors for consideration. In addition to obtaining the "Declaration of Independence of Accountants", the evaluation method Internal self-assessment is still carried out according to the company's self-made "Accountant Independence Assessment Form". evaluation items Including whether you are an employee of a company or an affiliated company, a director or a supervisor? The person, spouse and minor Is the child of the year a natural person shareholder of the company? Is there any significant financial relationship with the company? Whether there is a financing guarantee with the company...	(4) coincidence

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
4、Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?	V		Stakeholders can communicate with the company through the company's spokesperson, official website, telephone, fax, etc. In May 2023, the board of directors set up the director of corporate governance to be the part-time financial director. Personnel in the financial department are part-time responsible for corporate governance-related matters, including providing information required by directors and independent directors to perform their duties, handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, handling company registration and change registration, making minutes of board of directors and shareholders' meetings, etc. Strengthen and implement governance promotion.	coincidence

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
5、Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V		Through the open information system, stakeholders can keep abreast of the company's financial and business information. For dealings Banks, employees, customers, suppliers, community neighbors or stakeholders, relevant departments The door supervisor maintains a smooth communication channel with him at any time. When compiling the questionnaire survey results of different stakeholders, the product-related issues are the most concerned part. In addition to high-quality products, efforts must be made in the direction of green products. The company's website has set up a special area for interested parties, and interested parties can contact the company through the channels disclosed on the company's website.	coincidence
6、Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The stock affairs agency is IBF Securities Co., Ltd.	coincidence
7、Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		(1) The company sets up a website and has a special person responsible for disclosing financial and business related information。	(1) coincidence
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing	V		(2) The company has another spokesperson who is responsible for disclosing company information to the outside world and holds a legal person	(2) coincidence

<table>
<tr><th rowspan="2">evaluation items</th><th colspan="3">Operating situation (note1)</th><th rowspan="2">Differences from the Governance Code of Practice for Listed OTC Companies and Reasons</th></tr>
<tr><th>yes</th><th>no</th><th>summary description</th></tr>
<tr><td>designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?</td><td></td><td>V</td><td>briefing session on 2023.12.26. Hold at least one corporate briefing every year.
(3) The company declares to the competent authority within the reporting period according to the statutory announcement。</td><td>(3) none</td></tr>
<tr><td>8.Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</td><td>V</td><td></td><td>(1)Disclosing directors' advanced training, directors' purchase of liability insurance, etc. on public information websites
(2)Disclose the sustainability report on the company website</td><td>coincidence</td></tr>
<tr><td colspan="5">9.Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.. (Companies not included in the evaluation do not need to fill in) The 2023annual evaluation results are listed as 81%~100%。
1. Does the company's articles of association stipulate that the election of all directors/supervisors adopts a candidate nomination system (if the independent director</td></tr>
</table>

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	

nominated has served three consecutive terms, the reasons for continuing to nominate him as an independent director should be disclosed in detail on the public information observatory)?

illustrate：The company revised the company's articles of association at the shareholders' meeting in 2020, adopted a nomination system for candidates, and re-elected directors (including independent directors) in 2021。

2. Whether the company holds a regular shareholders meeting before the end of May？

illustrate：At present, the shareholder meeting will still be held in June。

3. Whether the company uploads the English version of the meeting notice synchronously 30 days before the ordinary shareholders meeting？

illustrate：yes。

4. Whether the company uploads the English version of the annual report 7 days before the ordinary shareholders meeting？

illustrate：yes。

5. Whether the company uploads the English version of the procedure manual and meeting supplementary materials 30 days before the regular shareholders meeting？

illustrate：no。

6. Does the company have an audit committee that meets the requirements?？

illustrate：In 2021, directors (including independent directors) were fully re-elected and set up。

7. Does the company disclose in the annual report the reasons for discussion and resolution results of the salary and remuneration committee, and the company's handling of members' opinions?？

illustrate：Disclosed in this year's annual report。

8. Whether the board performance evaluation method formulated by the company has been approved by the board of directors, and self-evaluation is performed at

evaluation items	Operating situation (note1)			Differences from the Governance Code of Practice for Listed OTC Companies and Reasons
	yes	no	summary description	
least once a year, and the evaluation results are disclosed on the company website or annual report？ illustrate：In 2020, the performance evaluation method was formulated and implemented。 9. Whether the company's website provides relevant information on the shareholders' meeting, and at least includes the latest annual report of the shareholders' meeting, meeting notice, meeting manual and meeting minutes, etc.？ illustrate：Supplementary disclosure of relevant information on the company website。 10. Whether the company's website and annual report disclose the protection measures and implementation status of employees' personal safety and working environment? illustrate：improving。				

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

3.3.7 Implementation Status of Internal Control System：

1. Internal Control Statement

Shin Tai Industrial Co., Ltd.

Internal Control Statement

Date: March 14, 2024

The company's internal control system in 2023, based on the results of self-inspection, hereby declares as follows:

1. The company knows that it is the responsibility of the board of directors and managers of the company to establish, implement and maintain an internal control system, and the company has already established such a system. Its purpose is to achieve the goals of operational effectiveness and efficiency (including profit, performance, and asset security, etc.), report reliability, timeliness, transparency, and compliance with relevant norms and compliance with relevant laws and regulations, and provide reasonable ensure.
2. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may vary change. However, the company's internal control system has a self-monitoring mechanism. Once a defect is identified, the company will take corrective action
3. The company judges whether the design and implementation of the internal control system are effective based on the items for judging the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control Systems for Publicly Issued Companies" (hereinafter referred to as "the Guidelines"). The internal control system judgment items adopted in the "Processing Criteria" are based on the process of management control, and the internal control system is divided into five components:

(1). Control environment, (2). Risk assessment, (3). Control operations, (4). Information and communication, and (5). Supervise operations. Each constituent element in turn includes several items. For the aforementioned items, please refer to the provisions of the "Handling Guidelines".

4. The company has adopted the above-mentioned internal control system to judge projects and evaluate the effectiveness of the design and implementation of the internal control system
5. Based on the evaluation results in the preceding paragraph, the company believes that the company's internal control system (including the supervision and management of subsidiaries) on December 31, 2023, including understanding the effectiveness of operations and the degree of achievement of efficiency goals, reports are reliable, Timely, transparent, and compliance with relevant norms and relevant laws and regulations, the design and implementation of relevant internal control systems are effective, which can reasonably ensure the achievement of the above goals.
6. This statement will become the main content of the company's annual report and prospectus, and will be made public. If there are falsehoods, concealment, or other illegal matters in the above-mentioned disclosed content, it will involve legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Law.
7. This statement was approved by the company's board of directors on March 14, 2024. Among the 7 directors present, 0 objected, and the rest agreed with the content of this statement, and hereby declare it.

Shin Tai Industrial Co., Ltd.
Chairman: Wu Jin quan
General Manager: Ye Wen teng

2. Those who entrust accountants to conduct a special review of the internal control system: None.

3.3.8 In the most recent year and as of the date of publication of the annual report, the company and its internal personnel were punished according to law, the company's internal personnel violated internal control system regulations, major deficiencies and improvements: None.

3.3.9 In the most recent year and up to the date of publication of the annual report, the company's losses, impacts and countermeasures due to major information security incidents: None.

3.3.10 Important resolutions of the shareholders' meeting and the board of directors in the most recent year and up to the date of publication of the annual report:

2023 Annual General Meeting of Shareholders Important Resolutions and Implementation Status:

important resolution	Execution situation
Admit 2022 annual financial statements	Announced on the Public Information Observatory and the company website
Acknowledgment of the 2022 surplus distribution case	Cash dividends have been distributed on 2023.10.11
Discuss the 2022 profit transfer to increase capital and issue new shares	Announced on the Public Information Observatory and the company website
Approved the amendment to the "Proposal on the Rules of Procedure of the Shareholders' Meeting"	Announced on the Public Information Observatory and the company website

Important resolutions of the board of directors

meeting date	important resolution
2023.03.28	1. A report on the acquisition and disposal of securities in December 2022 was submitted for ratification. 2. 2022 annual business report case, submitted for verification. 3. 2022 annual statement of internal control system, submitted for approval. 4. 2022 annual individual financial statements and consolidated statements, submitted for review. 5. The company's 2022 remuneration for directors and supervisors and distribution of employee remuneration, submitted for approval. 6. In order to convene the 2023 Annual General Meeting of Shareholders, its time, place and reasons are submitted for approval. 7. Please review and approve the company's 2022 profit distribution plan. And submit to the regular meeting of shareholders for recognition in accordance with the regulations. 8. The company intends to handle the case of converting surplus into capital and issuing new shares, and submits for discussion.
2023.04.24	Remaining items from the last meeting: 1. Please review and approve the company's 2022 profit distribution plan. And submit to the regular meeting of shareholders for recognition in accordance with the regulations.

	2. The company intends to handle the case of converting surplus into capital and issuing new shares, and submits for discussion. Matters discussed at this meeting: 1. The proposal to amend the rules of procedure of the company's shareholders' meeting is submitted for approval.
2023.05.12	1. Consolidated financial statements for the first quarter of 2023, submitted for review 2. Establish a corporate governance supervisor case in accordance with regulations and submit it for review and approval.
2023.08.11	1. Consolidated financial statements for the second quarter of 2023, submitted for verification. 2. A report on the acquisition and disposal of securities from January to June 2023 was requested for ratification. 3. Renewal of bank financing line, submitted for approval. 4. Subsidiary's bank financing renewal case is submitted for review. 5. The company's 2022 year of the Republic of China's surplus transfer to capital increase, issuance of new shares and cash dividend distribution related matters are submitted for review and approval.
2023.11.10	1. Consolidated financial statements for the third quarter of 2023, submitted for verification. 2. The case of the new appointment of the company's information security manager is proposed for discussion.

	3. Independence and suitability assessment case of the company's certified accountants. 4. 2024 annual internal audit plan, submitted for review. 5. The company's 2022 managerial employee remuneration distribution case is submitted for review. 6. Investment in " Tai Yu Network & Communication Inc ."Request ratification.

3.3.11 Directors (including independent directors) in the most recent year and as of the publication date of the annual report have different opinions on important resolutions passed by the board of directors, and there are records or written statements, the main contents, and the company's handling of independent directors' opinions: None.

3.3.12 Summary of resignations and appointments of persons related to financial reports in the most recent year and up to the date of publication of the annual report: None.

3.3.13 Fulfillment of CSR and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
1. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	V		The board of directors authorizes the financial department to be responsible for promoting sustainable development-related matters and writing reports and reporting to the board of directors.	None
2. Does the company establish exclusive (or concurrently) dedicated first-line managers authorized by the board to be in charge of proposing the corporate social responsibility policies and reporting to the board?		V	The Company has not formulated relevant risk management policies or strategies.	Will be formulated according to the company's operating conditions.

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		(1) Implement education and training to enhance environmental protection awareness and implement ISO9001. The management office of the company is responsible for the relevant business. Boiler equipment has been improved in 2017 to reduce air pollution	(1) None
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		(2) Garbage and waste are entrusted to the local cleaning team and qualified waste removal and transportation companies, and employees are sure to implement garbage classification, reduction and recycling. Employees prepare their own chopsticks for meals, and do not use disposable chopsticks	(2)None
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		(3) Do not turn on the air conditioner when the indoor temperature is not above 28 degrees, turn off the lights during the rest time, collect waste paper and reuse it for photocopying	(3)None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		(4) Details P21-P24 of the latest sustainability report of the company.	(4)None
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		(1) to (4) Details P25-P28 of the company's latest sustainability report.	(1) to (4)None

Evaluation Item	Implementation Status [1]			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation [2]	
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	V			
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V			
(4) Does the company provide its employees with career development and training sessions?	V			
(5)Do the company's products and services comply with relevant laws and international standards in	V		(5)& (6) Details P4-P8 & P16-P17 of the company's latest sustainability report.	(5) &(6)None

Evaluation Item	Implementation Status [1]			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation [2]	
relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?				
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	V			
5. Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose	V		The company's social responsibility report is compiled in accordance with the sustainability reporting guidelines issued by GRI - GRI Standards, supplemented by supplementary indicators for the food manufacturing industry, etc., and entrusted Sigma Certified Public Accountants to review the report in accordance with the accounting research and development of the	None

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status [1]</th><th rowspan="2">Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Explanation [2]</th></tr>
<tr><td>non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third party verification unit?</td><td></td><td></td><td>Republic of China The Foundation issued the No. 3000 Confidence Standard Bulletin "Confirmation Cases Not Subject to Historical Financial Information Inspection or Review" for independent limited confidence.</td><td></td></tr>
<tr><td colspan="5">6. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies”, please describe any discrepancy between the Principles and their implementation: The company has not formulated</td></tr>
<tr><td colspan="5">7. Other useful information for explaining the status of corporate social responsibility practices:
The company announces the corporate social responsibility report on the public information observation station and the company website every year, and the 2021 corporate social responsibility report is renamed the sustainability report.</td></tr>
</table>

Note: 1. If you ticked "Yes" for the status of implementation, please describe in detail the important policies, strategies, measures and implementation status adopted; and reasons” column to explain the differences and reasons, and explain the plan to adopt relevant policies, strategies and measures in the future.

Note: 2. The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

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

3.3.14 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status[1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	V		(1) On December 19, 2015, the board of directors resolved to formulate the company's "Integrity Management Code" and "Company Integrity Management Code Operating Procedures and Behavior Guidelines", and submitted a report to the 2016 Annual Shareholders' Meeting.	(1)None

Evaluation Item	Implementation Status [1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?		V	(2) The Company has not formulated the relevant evaluation mechanism. If the company's personnel encounter others who engage in dishonest behavior against the company, the company should notify the judiciary and procuratorial organs of the relevant facts if their behavior involves illegal activities; if it involves public agencies or public servants, it should also notify the government's anti-corruption agency.	(2)Under discussion

Evaluation Item	Implementation Status [1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	V		(3)The company has formulated the "Company Integrity Management Code Operating Procedures and Behavior Guidelines" which will be reviewed from time to time and revised according to the actual situation.	(3) None
2. Fulfill operations integrity policy (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts	V		(1) The relevant measures are stipulated in the "Company Integrity Management Code Operation and Behavior Guidelines" and the auditing unit is responsible for supervising the implementation. Query ticket letters for first-time customers	(1) None

Evaluation Item	Implementation Status [1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(2)Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?		V	(2) The company has not yet set up a dedicated unit.	(2)Under discussion
(3)Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?		V	(3) The company has not established a policy to prevent conflicts of interest	(3)Under discussion
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to		V	(4) The company has not formulated relevant internal controls, which will be formulated in the future depending on the actual situation.	(4)Under discussion

Evaluation Item	Implementation Status [1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
prevent unethical conduct, or hire outside accountants to perform the audits? (5) Does the company regularly hold internal and external educational trainings on operational integrity?		V	(5) The company will organize internal and external education and training on integrity management from time to time depending on the needs.	(5) Will be done as needed
3. Operation of the integrity channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up? (2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	V		The company encourages internal and external personnel to report dishonesty or misconduct. According to the seriousness of the report, a bonus of up to NT$20,000 will be awarded. If internal personnel make false reports or malicious accusations, they shall be subject to disciplinary action. Serious cases should be dismissed. The company has set up a special area for interested parties on the company website. Internal and external personnel of the company can report to	None

Evaluation Item	Implementation Status [1]			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
(3) Does the company provide proper whistleblower protection?			the company's supervisors and auditing units through the dedicated contact line in this area.	
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	V		The Company's Ethical Corporate Management Best-Practice Principles and the results of our implementation have been posted on the Company's Chinese / English website and MOPS.	None
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation. It was approved by the board of directors in December 2015 to formulate the company's code of integrity management, and it was reported at the annual shareholders' meeting in 2016				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). no such situation				

3.3.15 Corporate Governance Guidelines and Regulations

Please refer to the Company's website at www. goldenbrand.com.tw

Public Information Observatory: http://mops.twse.com.tw。

3.3.16 Other Important Information Regarding Corporate Governance: None

3.4 Information Regarding the Company's Audit Fee and Independence

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Remarks
Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu	2023.01.01~2023.12.31	

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the company shall report the information regarding the audit period covered by each CPA and the replacement reason.

	Fee Range \ Fee Items	Audit Fee	Non-audit Fee	Total
1	Under NT$ 2,000,000	880,000	67,000	947,000
2	NT$2,000,001 ~ NT$4,000,000			
3	NT$4,000,001 ~ NT$6,000,000			
4	NT$6,000,001 ~ NT$8,000,000			
5	NT$8,000,001 ~ NT$10,000,000			
6	Over NT$100,000,000			

(1) Public accountant information

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Period Covered by CPA's Audit	Remarks
			System of Design	Company Registration	Human Resource	Others	Subtotal		
Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu	880,000	-	10,000	-	57,000	947,000	2023/01/01~ 2023/12/31	

Note 1: If the company has changed accountants or accounting firms this year, please list the audit period separately, explain the reasons for the change in the remarks column, and disclose the audit and non-audit public fees paid in order.

Note 2: The other NT$57,000 of non-audit public expenses, the payment items are the typing, photocopying, binding fees of each quarterly financial report.

(2) If the accounting firm is changed and the audit fee paid in the replacement year is less than the audit fee in the previous year, the amount, proportion and reason for the decrease in audit fee: None.

(3) If the audit public fee has decreased by more than 15% compared with the previous year, the amount, proportion and reason of the audit public fee reduction: None.

(4) Change accountant information: None

(5) The company's chairman, general manager, manager in charge of financial or accounting affairs, who has worked in the certified public accountant's firm or its affiliated companies within the last year, his or her name, title, and employment status in the certified public accountant's firm or its affiliates During the period of related enterprises: None

3.5 Changes in equity transfers and equity pledges of directors, independent directors, managers, and shareholders holding more than 10% of the shares in the most recent year and as of the date of publication of the annual report

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Shares

Title	Name	2023		As of Apr. 30, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Director	Shin Fong Investment Co., Ltd.	523,550	0	0	0
Director legal representative Chairman	Wu Jinquan	90,228	0	111,000	0
Director	Nong An Biotechnology Co., Ltd.	1,340,341	0	0	0
Director Legal Representative General Manager	Ye Wenteng	42	0	0	0
Director	Xie Xingzhen	34	0	0	0
Director	Wu Xinqiong	0	0	0	0
independent director	He Ruinan	0	0	0	0
independent director	Shen Ziwen	0	0	0	0
independent director	Lin Dehong	0	0	0	0
manager	Ye Wenlong	42	0	0	0
Finance and Accounting Supervisor	Su Linghui	0	0	0	0

major shareholder	Annding Investment Co., Ltd.	7,124,774	0	0	0
major shareholder	Tong Ann Chemicals Co., Ltd.	3,131,584	0	0	0

Note 1: Major shareholders holding more than 10% of the company's total shares: Annding Investment Co., Ltd., Tong Ann Chemicals Co., Ltd.

(2)Shares Trading with Related Parties

The counterparty of the transfer is not a related party, so it is not applicable.

(3) Shares Pledge with Related Parties

The counterparty of the pledge is not a related party, so it is not applicable.

3.6 Relationship among the Top Ten Shareholders

April 20,2024

Name (Note 1)	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Annding Investment Co., Ltd.	66,497,895	44.43%							
Representative: Qin Hui ru	978,570	0.65%							
Tong Ann Chemicals Co., Ltd.	26,922,786	17.99%							
Representative: Wu Jin quan	231,129	0.15%	2,778	0%			Wu Xing cheng & Wu Xing he & Wu Mei hong	second degree relative	
Mei Ann Biochemical Technology Co., Ltd.	14,919,795	9.97%							
Representative: Wu Jin quan	231,129	0.15%	2,778	0%			Wu Xing cheng & Wu Xing he & Wu Mei hon	second degree relative	
Nong Ann Biotechnology Co., Ltd.	12,509,851	8.36%							
Representative: Wu Xing he	634,110	0.42%					Wu Jin quan & Wu Xing cheng	second degree relative	
Anda Investment Co., Ltd.	6,675,830	4.46%							
Representative: Wu Xing cheng	2,619,045	1.75%					Wu Jin quan & Wu Xing he	second degree relative	
Shin Fong Investment Co., Ltd.	4,886,472	3.26%							
Representative:	231,129	0.15%	2,778	0%			Wu Xing	second	

Wu Jin quan							cheng & Wu Xing he & Wu Mei hon	degree relative	
Anhe Investment Holdings Co., Ltd.	3,520,126	2.35%							
Representative: Wu Xing he	634,110	0.42%					Wu Jin quan & Wu Xing cheng	second degree relative	
Wu Xing cheng	2,619,045	1.75%					Wu Jin quan & Wu Xing he	second degree relative	
Qin Hui ru	978,570	0.65%		0%					
Wu Mei hong	949,043	0.63%	400	0%			Wu Jin quan	second degree relative	

Note 1. All the top ten shareholders should be listed, and the names of legal person shareholders and representatives should be listed separately for those who are legal person shareholders.

Note 2. The calculation of the shareholding ratio refers to the calculation of the shareholding ratio in the name of oneself, spouse, minor children or in the name of others

Note 3. The shareholders listed above include legal persons and natural persons, and the relationship between them should be disclosed

3.7 Ownership of Shares in Affiliated Enterprises

Unit: shares/ %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Shin Fong Investment Co., Ltd.	75,184,635	100%			75,184,635	100%
Tai Sheng Ocean Development Co., Ltd.	2,500,000	100%			2,500,000	100%
Annding Investment Co., Ltd.	36,775,797	48.84%	4,775,225	6.34%	41,551,022	55.18%
Anda Investment Co., Ltd.	8,602,200	47.79%			8,602,200	47.79%
Mei Ann Biochemical Technology Co., Ltd.	1,050,000	36.21%	850,000	29.31%	1,900,000	65.52%
Tong Ann Chemicals Co., Ltd.	112,000	39.16%	110,000	38.46%	222,000	77.62%
Tai Yu Network & Communication Inc.	3,000,000	60%			3,000,000	60%
Genesis Technology INC.	9,673,923	9.72%	23,996,418	24.10%	33,670,341	33.82%
Formosa Oilseed Co., Ltd.	26,070,385	11.35%	34,885,657	15.19%	60,956,042	26.54%

Note: Long-term investment information of the company until 2024.03.31

3.8 Capital and Shares

3.8.1 Source of Capital

(1). Issued Shares

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (NT$ thousands)	Shares	Amount (NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
2009/11	10	60,000,000	600,000,000	52,944,511	529,445,110	NO	NO	NO
2010/09	10	60,000,000	600,000,000	54,532,846	545,328,460	NO	NO	NO
2011/11	10	60,000,000	600,000,000	56,168,831	561,688,310	NO	NO	NO
2015/10	10	70,000,000	700,000,000	60,662,337	606,623,370	NO	NO	NO
2018/11	10	120,000,000	1,200,000,000	87,960,388	879,603,880	NO	NO	NO
2019/12	10	120,000,000,	1,200,000,000	98,955,436	989,554,360	NO	NO	NO
2020/12	10	120,000,000	1,200,000,000	104,397,985	1,043,979,850	NO	NO	NO
2022/09	10	300,000,000	3,000,000,000	133,629,420	1,336,294,200	NO	NO	NO
2023/10	10	300,000,000	3,000,000,000	149,664,950	1,496,649,500	NO	NO	NO

(2). Type of Stock

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total Shares	
registered common stock	149,664,950	150,335,050	300,000,000(share)	listing

(3).Relevant information on the issuance and offering of securities under the comprehensive reporting system: Not applicable

3.8.2 Status of Shareholders

April 20,2024

Item	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	1	20	3,016	15	3,052
Shareholding (shares)	0	4,000	137,548,815	11,928,413	183,722	149,664,950
Percentage	0%	0%	91.9%	7.98%	0.12%	100%

3.8.3 Shareholding Distribution Status

April 20,2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	2,442	360,980	0.24%
1,000 ~ 5,000	428	895,716	0.60%
5,001 ~ 10,000	91	593,168	0.40%
10,001 ~ 15,000	24	290,980	0.19%
15,001 ~ 20,000	11	183,715	0.12%
20,001 ~ 30,000	13	317,333	0.21%
30,001 ~ 40,000	7	244,489	0.16%
40,001 ~ 50,000	5	218,046	0.15%
50,001 ~ 100,000	8	595,324	0.40%
100,001 ~ 200,000	1	198,584	0.13%
200,001 ~ 400,000	6	1,678,423	1.12%
400,001 ~ 600,000	3	1,415,384	0.95%
600,001 ~ 800,000	2	1,252,350	0.84%
800,001 ~ 1,000,000	3	2,868,658	1.92%
1,000,001 or over	8	138,551,800	92.57%
Total	3,052	149,664,950	100.00%

Note: The company has not issued special shares.

3.8.4 List of Major Shareholders

April 20,2024

Shareholder's Name	Shareholding	
	Shares	Percentage
Andding Investment Co., Ltd.	66,497,895	44.43%
Tong Ann chemicals Co., Ltd.	26,922,786	17.99%
Mei Ann Biochemical Technology Co., Ltd.	14,919,795	9.97%
Nong Ann Biotechnology Co., Ltd.	12,509,851	8.36%
Anda Investment Co., Ltd.	6,675,830	4.46%
Shin Fong Investment Co., Ltd.	4,886,472	3.26%
Anhe Investment Holdings Co., Ltd.	3,520,126	2.35%
Wu Xing cheng	2,619,045	1.75%
Qin Hui ru	978,570	0.65%
Wu Mei hong	949,043	0.63%

3.8.5 Market Price, Net Worth, Earnings, and Dividends per Share

Unit: NT$

Items	2023	2022	01/01/2024-03/31/2024(note8)
Market Price per Share(note1)			
Highest Market Price	92	72.3	85.4
Lowest Market Price	67.2	42.8	73.2
Average Market Price	78.04	56.41	81.68
Net Worth per Share(note2)			
Before Distribution	47.24	48.58	62.94
After Distribution	47.24	48.58	unassigned
Earnings per Share			
Weighted Average Shares (thousand shares)	86,653,934	129,120,015	86,653,934
Diluted Earnings Per Share(note3)	1.1	1.31	0.41
Dividends per Share			
Cash Dividends	1	1	
Stock Dividends			
Dividends from Retained Earnings	1.2	2.8	
Dividends from Capital Surplus			
Accumulated Undistributed Dividends(note4)			
Return on Investment			
Price / Earnings Ratio (Note 5)	70.95	43.06	199.22
Price / Dividend Ratio (Note 6)	78.04	56.41	
Cash Dividend Yield Rate (Note 7)	1.28%	1.77%	

If there is a capital increase allotment of surplus or capital reserve, the market price and cash dividend information retrospectively adjusted according to the number of issued shares shall be disclosed

Note 1: List the highest and lowest market prices of common stocks in each year, and calculate the average market price of each year based on the transaction value and volume of each year

Note 2: Please use the number of issued shares at the end of the year as the basis and fill in the distribution according to the resolution of the board of directors or the next year's shareholders' meeting

Note 3: If retroactive adjustment is required due to gratis allotment, etc., the earnings per share before adjustment and after adjustment shall be listed

Note 4: If the conditions for the issuance of equity securities stipulate that unpaid dividends in the current year may be accumulated and distributed in a surplus year, the accumulated unpaid dividends up to the current year shall be disclosed separately.

Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share

Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share

Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

Note 8: The net value per share and earnings per share shall be filled in with the information audited (reviewed) by an accountant in the most recent quarter up to the date of publication of the annual report; the remaining columns shall be filled with the data of the current year up to the date of publication of the annual report.

3.8.6 Dividend Policy and Implementation Status

1. Dividend Policy

If the company makes profits in the year, 1%~5% should be appropriated as employee remuneration, and the board of directors will decide to distribute them in the form of stocks or cash. The amount of profit shall be determined by the board of directors to allocate no more than 5% as remuneration for directors and supervisors. Proposals on employee remuneration and distribution of remuneration to directors and supervisors shall be reported to the shareholders' meeting.

However, if the company still has accumulated losses, it shall reserve the compensation amount in advance, and then appropriate employee remuneration and director and supervisor remuneration in accordance with the proportion in the preceding paragraph.

If there is a surplus in the company's annual final accounts, it should first pay taxes to make up for the accumulated losses, and then withdraw 10% as the statutory surplus reserve, but this is not the case when the statutory surplus reserve has reached the company's paid-in capital; it depends on the company Operational needs and laws and regulations set aside or reverse the special surplus reserve. If there is a balance and the undistributed surplus at the beginning of the same period, the board of directors shall prepare a surplus distribution plan and submit it to the shareholders' meeting for resolution.

The company's dividend policy is based on current and future development plans, consideration of the investment environment and capital needs, and

Considering the interests of shareholders and other factors, the company decides the dividend plan to be distributed, but the accumulated surplus available for distribution is lower than the actual

When receiving 5% of the share capital, it may not be distributed; when dividends are distributed to shareholders, it can be done in cash or stock.

2. Proposed Distribution of Dividend

The company's dividend policy is in line with the Huazong Yiyizi No. 10400058161 Order on May 20, 2015, which added provisions on employee remuneration and distribution of directors and supervisors' remuneration in Article 235 of the Company Law, and was approved by the resolution of the 2016 shareholders' meeting. Part of the company's 2021 increased dividend policy is in line with current and future development plans, and has been approved by the resolution of the 2021 shareholders' meeting

3. Situation of dividend distribution proposed at this shareholders meeting:

The proposed distribution of cash dividends this year is NT$74,832,475

The stock dividend to be distributed this year is NT$74,832,470

3.8.7 The impact of this dividend distribution on the company's operating performance, earnings per share and shareholders' return on investment

project			2023（estimate）
Initial paid-in capital			NT$1,496,649,500
This year's allotment of shares and dividends	cash dividend per share（note1）		NT$ 0.5
	Number of allotted shares for every thousand shares transferred from surplus to capital increase（note1）		50 (share)
	Number of allotted shares per thousand shares converted from capital reserve		0(share)
Changes in business performance	business interest		not applicable（note2）
	Increase (decrease) ratio of operating profit compared with the same period last year		
	net profit after tax		
	Net profit after tax increase (decrease) ratio compared with the same period last year		
	Annual average return on investment (reciprocal of annual average price-to-earnings ratio)		
Fictitious earnings per share and price-to-earnings ratio	If the surplus turns into an increase, the full amount will be changed to cash dividends	Proposed earnings per share	not applicable（note2）
		Draft average annual return on investment	
	If capital reserve has not been transferred to capital increase	Proposed earnings per share	
		Draft average annual return on investment	
	If the capital reserve has not been processed and the surplus is transferred to capital increase, cash dividends will be paid	Proposed earnings per share	
		Draft average annual return on investment	

Note1: 2024 Shareholders' regular meeting resolution

Note2: According to the "Standards for the Processing of Financial Forecast Information of Publicly Issued Companies", the company does not need to disclose the financial forecast information for the year of the Republic of China 2023

3.8.8 Remuneration of employees, directors and supervisors:

1. The ratio or range of remuneration for employees, directors, and supervisors as stated in the company's articles of association:
   If the company makes profits in the year, 1%~5% should be appropriated as employee remuneration, and the board of directors will decide to distribute them in the form of stocks or cash. The amount of profit shall be determined

by the board of directors to allocate no more than 5% as remuneration for directors and supervisors.

2. The basis for the estimation of the remuneration of employees, directors, and supervisors in the current period, the basis for calculating the number of shares for allotment of stock bonuses, and the accounting treatment when the actual allotment amount is different from the estimated amount:
   The remuneration of directors and supervisors and employee remuneration estimated in the 2023 financial report are as follows:
   (1) Remuneration for directors and supervisors is $2,000,000 accounting for 2.05% of net profit before tax
   (2) Employee remuneration $1,400,000 accounting for 1.43% of net profit before tax
   The above distribution proposal has been approved by the board of directors on 2024.03.14, and will be submitted to the report of the shareholders' regular meeting
   (3) Accounting treatment when the actual distribution amount differs from the estimated amount:
   If there is a significant change between the distribution amount as resolved and the originally estimated amount, and the amount reaches the standard for recompilation of financial reports stipulated in Article 6 of the Enforcement Regulations of the Securities and Exchange Act, the financial report shall be recompiled. If the difference does not reach the standard for recompiled financial statements, the amount of the difference shall be handled according to changes in accounting estimates and listed as profit or loss for the next year

3. The proposed distribution of employee remuneration and other information approved by the board of directors:
   (1) Allotment of employee remuneration and the amount of remuneration for directors and supervisors:
   Employee cash remuneration $ 1,400,000
   Remuneration for directors and supervisors $ 2,000,000
   If there is a discrepancy from the estimated amount of the recognized expenses in the year, the number of discrepancies, reasons and handling:
   There is no difference between the estimated amount listed in the original 2022 annual financial report and the amount proposed by the board of directors on March 14, 2024. If there is any change between the aforementioned estimated amount and the actual distribution amount, it will be handled in accordance with changes in accounting estimates and relevant regulations.
   (2) The proposed distribution of employee stock remuneration and its proportion to the total after-tax net profit of the current period and the total amount of employee remuneration:
   No employee stock compensation is allocated, so it is not applicable
   (3) Calculated earnings per share after considering the proposed distribution of employee remuneration and director and supervisor remuneration:
   not applicable

4. The surplus of the previous year was used to distribute employee bonuses and the remuneration of directors and supervisors:
   2023 Annual Shareholders' Meeting and Board of Directors Resolutions Actual Distribution:

	Actual allotment	Proposed Distribution Approved by the Board	Amount recognized in the account	difference
employee cash compensation	2,400,000	2,400,000	2,400,000	0
Remuneration of directors and supervisors	3,500,000	3,500,000	3,500,000	0
Total	5,900,000	5,900,000	5,900,000	0

3.8.9 Buy-back of Treasury Stock

Treasury stocks: Batch Order	First	The second time	The third time
Purpose of buy-back	transfer to employees	Cancellation of share capital	Cancellation of share capital
Timeframe of buy-back	2004.7.28-2004.9.27	2004.12.17-2005.2.16	2005.12.5-2006.2.4
Price range	per share NT$12-28	per share NT$ 10-20	per share NT$ 10-19
Class, quantity of shares repurchased	common stock 2,834,000 shares	common stock 1,222,000 shares	common stock 570,000 shares
Value of shares repurchased (in NT$ thousands)	NT$45,762,533	NT$16,644,996	NT$7,706,767
Quantity of repurchased shares as a percentage of total shares to be repurchased (%)	0	0	0
Shares sold/transferred	2,834,000 shares (sold)	1,222,000 shares (sold)	570,000 shares (sold)
Accumulated number of company shares held	0	2,834,000 shares	2,834,000 shares
Percentage of total company shares held (%)	0	7%	6.91%
Remark	2007.1.4 cancellation of shares	2005.5.5 cancellation of shares	2006.4.25 cancellation of shares

3.9 The status of corporate bonds, including corporate bonds that have not been repaid and are in process: None.

3.10 Handling status of special shares, including special shares in circulation and in process: None.

3.11 Handling of overseas depositary receipts, including overseas depositary receipts that have participated in the issuance but have not yet been redeemed in full and are being processed: None.

3.12 Handling of employee stock option certificates: None.

3.13 Handling of mergers and acquisitions or transfer of shares from other companies to issue new shares: None.

IV. Financing Plans and Implementation

4.1 Finance Plans

As of the quarter before the date of publication of the annual report, the previous issuance or private placement of securities has not been completed or has been completed within the last three years and the planned benefits have not yet manifested: None.

4.2 Implementation

For the purpose of each plan mentioned in the preceding paragraph, analyze its implementation status and the comparison with the original estimated benefits one by one as of the quarter before the date of publication of the annual report:

(1) In the case of mergers and acquisitions or transfers of other companies, expansion or new construction of fixed assets, comparisons of fixed assets, operating income, operating costs, and operating profits should be made: there is no such case.

(2) If it is reinvested in another company, an explanation shall be given regarding the operation of the reinvested enterprise and the impact on the company's investment profit and loss: there is no such case.

(3) For the purpose of enriching working capital and repaying debts, comparative explanations should be given on current assets, current liabilities, and the increase and decrease of total liabilities, interest expenses, operating income, and earnings per share, and an analysis of the financial structure:
there is no such case

V. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

1. Main areas of business operations:

   (1) Manufacturing, processing and trading of various feeds for poultry, livestock and fish
   (2) Purchasing, transportation and sales of various feed raw materials and their products
   (3) Processing, manufacturing, freezing, refrigeration, packaging, trading of agricultural, forestry, fishery, animal husbandry and other products and their by-products, and food.
   (4) Breeding of various poultry and livestock, breeding of aquatic fish, import and breeding of breeding cattle and pigs, and entrusted breeding and experimental research.
   (5) Warehouse and labor supply business
   (6) The import and export trade of the above items and the entrusted brokerage business of domestic and foreign manufacturers
   (7) F101010 Rice grain wholesale business
   (8) F102990 Wholesale of other food (flour)
   (9) F203010 Food and beverage retailing
   (10) ZZ99999 In addition to licensed business, may operate business that is not prohibited or restricted by law
2. Proportion of business: feed mill 100%

3. The company's current commodity (service) items:
   Duck compound feed - meat duck, laying duck
   Chicken feed - broiler, layer, breeder
   Pig compound feed - breeding pigs, meat pigs
   Fish farming compound feed - freshwater fish, marine fish, eel
   Shrimp Compound Feed - Grass Shrimp, Spotted Shrimp, Long Arm Prawn
   Compound Feed for Pets - Puppies, Adult Dogs, Cats
   Single feed - corn, cassava flour and other raw materials

5.1.2 Industry Overview:

1. Current status and development of the industry:
   After China's accession to WTO, the domestic demand for feed has dropped from 7.8 million metric tons and an annual output value of 70 billion to an annual demand of 6.5 million metric tons and an annual output value of 60 billion. Among them, the demand for pig feed and laying hen feed is stable, and the demand for high-priced aquatic feed and dairy cattle feed has increased. , as for the items with the largest shrinkage in demand, the white meat chicken and native chicken market are mainly affected by factors such as the reduction of import tariffs and the year-by-year relaxation of quotas, which directly reduce the living space of domestic industry players. Compared with the feed industry, the impact is also quite large; after

experiencing foot-and-mouth disease and bird flu, etc. With the implementation of the government's killing plan, Taiwan's animal husbandry industry, which has been in a long-term downturn due to the epidemic, seems to have regained its vitality. However, the impact of the integration of domestic market channels and the rise of consumer awareness, as well as the continuous rise in raw material prices and international crude oil freight rates in recent years The animal husbandry industry will face more direct challenges.

With the improvement of living standards, consumers' attitude towards the consumption of animal husbandry products has changed from "satisfying basic needs" to "satisfying high-quality needs". Under such rapid changes, the animal industry has gradually developed a set of products with zero antibiotics added. , Improving immunity, improving meat quality, flavor and functional appeals as the main axis of animal product production mode to produce high-quality meat as the goal of HACPP animal products, so that my country's animal husbandry can be in line with the world trend, and the feed industry will take advantage of the past advantages Base development has become the mainstream of this trend.

2. The relationship between the upper, middle and lower reaches of the industry:

   The living standards of the people in the developed economy have improved, and the relative demand for animal protein has become higher and higher, which has created the brilliant achievements of China's animal husbandry industry in the past 30 years, and the main driving force lies in the development of the upstream feed industry and continuous research and innovation. The livestock and aquatic products in the middle reaches have reached world-class standards. However, China's feed industry, which relies on imports for more than 90% of its raw materials, is often limited by the fluctuation of world grains, which makes the cost of downstream animal husbandry products remain high. Countries around the world are competing on the stage of international animal products, but they have also created business opportunities with an annual output value of nearly 100 billion yuan in the domestic animal industry, which has greatly benefited China's economic growth. After experiencing foot-and-mouth disease, WTO, sick and dead pigs, dioxin and peacock After the impact of stone green residues, bird flu and clenbuterol, the domestic animal husbandry industry will enter a new era under the continuous innovation and change of the upstream feed industry and the market-oriented integrated management of the midstream processing industry.

Domestic and foreign procurement Corn, soybean, fish meal and other raw materials

(processed feed ⟹ Sales farmers

3. Various development trends and competition situations of products:

   The future development trend of the feed industry can be analyzed from two levels, the first is from the internal production performance of the livestock and fishery industry, including production and reproduction, health and uniformity, and the second is from the external market environment such as consumer demand, legal and animal welfare, etc., so the directions of research and development are:

(1). Functional livestock, aquatic products - functional products such as nutrition, taste or health
(2) Organic livestock and aquatic products - livestock and aquatic products without drug residues

As the feed market gradually shrinks, a new wave of market consolidation is also underway. With their strong financial resources, consortium-type feed factories are more active in expanding market share, increasing production capacity to reduce costs, and at the same time strengthening vertical integration work, thus creating competition. (a) Diversified, large-scale, conglomerate (b) Integrated management (c) Strategic alliance (d) Internationalization and other competitive situations.

5.1.3 Technology and R&D Overview:

1. The research and development expenses invested in this year and up to the date of publication of the annual report and the estimated total research and development expenses for the whole year:
   In 2023, R&D expenses were about NT$1,000, accounting for NT$31,977,000 of net sales revenue.0.00%; this year's estimated investment in R&D costs will account for about 1% to 3% of operating income.
2. Future research and development plan: there is no specific plan at present

5.1.4 Long-term and short-term business development plan:

The economy is advancing by leaps and bounds, the national income is increasing, and the quality of life is also improving. Ample food and clothing can no longer meet the needs of our nationals. Health, safety, environmental protection and animal welfare will be the direction of the national needs in the future. Therefore, we stand at the locomotive position of the livestock and aquaculture industries. The feed industry will also move towards this ideal. Our company

1. short term business plan:
   (1). Environmental Feed Formula—Add deodorants to prevent air odors, balance amino acids to improve digestibility and nutrient concentration, and add biological agents to make excrement organic fertilizers.
   (2). Functional products - vitamin E + selenium and high DHA low cholesterol products
   (3) Organic products - no drug residues
2. Long term business plan:
   (1). Promote HACCP international certification for aquatic feed factories

5.2 Market and production and sales overview

5.2.1 Market analysis:

1. Sales (supply) area of main products
   The company is located in Renwu District, Kaohsiung City. It is located in the fishery and animal husbandry production center. The transportation is convenient and fast, and the service is convenient. The feed produced is mainly supplied to the operators in the central and southern regions, accounting for more than 80% of the total sales.

2. market share:
   The company's feed sales volume in 2023 and 2022 (excluding single feed) was 1,614 metric tons and 1,561 metric tons respectively, accounting for about 0.026% and 0.026% of the market share respectively.
3. The future supply and demand situation and growth of the market:
   Livestock and aquatic products are the most important sources of animal protein for Chinese people. With the development of the country’s economy, the national income has increased, and the living standards of the Chinese people have improved. Their consumption has also increased year by year. In recent years, food safety incidents have occurred frequently, and consumers’ requirements for food safety have also increased. , the company pays more attention to the purchase quality of feed raw materials. Marine fishery resources are becoming increasingly depleted due to ecological environment changes, climate change, overfishing and other issues. In the future, aquaculture fishery will gradually replace capture fishery. With population growth and limited land space, marine life The proportion of human animal protein provided by resources will increase.
   In recent years, due to the impact of cold damage and bird flu epidemics, the mortality rate of aquatic products and livestock products has increased, coupled with the rising awareness of environmental protection, and the requirements for pollution prevention and control equipment in farms have made it more difficult for farmers to raise and manage. The market price of breeding products is unstable, and the profits are meager. Small farmers are facing survival difficulties, which in turn affects the willingness to breed and affects the demand for feed.
   However, after the livestock and aquaculture industry adjusts the supply and demand in the market this year, it is expected that the required amount of feed will be equivalent to last year.
4. Favorable and unfavorable factors and countermeasures of competitive niche and development prospect:
   (1) Favorable factors
      ◎ The production equipment of the company's feed factory adopts the central electronic control and fully automatic machine manufactured by the Swiss BUHLER BROTHERS company with the most outstanding reputation in the world, with large daily production capacity and high production efficiency. In addition to saving a lot of labor, the products produced are of high quality and stable, which is a great tool for the company's performance growth.
      ◎ Upstream manufacturers can provide raw materials with good quality and stable sources, and the factory location is moderate. For raw materials entering the factory and finished products leaving the factory, transportation costs can be greatly reduced, which is better than ordinary feed factories and has strong competitiveness.
      ◎ Under the guidance of the government, the poultry and aquaculture industries will implement integrated industrial management and accelerate industrial restructuring. Consumers' awareness of health care has increased, and the industry must also adjust in the future, and develop in the direction of refinement,

diversification, and branding to counter the competitive pressure of imported products.

◎ In addition to the well-equipped production department, the company also has an experimental farm and a research and development department, so that the research and production can be combined and complement each other, constantly developing new products and providing the latest technical services.

◎ Facing the advent of the knowledge economy, domestic animal husbandry production combines advanced technology and industrial resources to increase the scale of breeding, and is constantly moving towards automated production, so as to build a competitive niche in the industry.

◎ The government actively promotes the epidemic prevention and quarantine network, and introduces the Hazard Analysis and Key Control Act (HACCP) to produce safe, hygienic, and healthy poultry and aquatic products, and to cultivate internationally competitive Taiwanese native chickens and Taiwanese pork pigs to improve the industry image.

◎ Chinese people prefer native chicken, duck, and goose meat with unique meat quality. Due to market segmentation, it is difficult to replace foreign poultry meat; long-distance transportation of poultry eggs is not easy, and foreign fresh eggs with shells are difficult to import into China and cannot be stored .

◎ Chinese people generally prefer warm-bodied pork and frozen pork, and don’ t like frozen pork. Frozen pork is mostly used for processing. Pork imports are limited by time and quality issues, and are generally not accepted. To cooperate with the establishment of domestically produced high-quality pork brands, strengthen Slaughter hygiene inspection and pig drug residue monitoring system provide a variety of livestock and poultry processed products that meet the needs of domestic and foreign markets, increase the added value of products, and provide consumers with healthy, hygienic and safe pork products. Generally, warm-body pork still occupies an important position in the traditional market. The absolute majority ratio, the emergence of the evening market, has brought a ray of life to the warm-body pork, so China's pig raising business is still internationally competitive.

(2) unfavorable factors

◎ Facing the trend of international interaction and economic and trade liberalization, imported products are increasing day by day, and consumption choices are becoming more and more diversified. Therefore, if the industry wants to stand out in the market, it must not only consider the supply strategy of competitors, but also cater to the changing needs of consumers.

◎ After joining the WTO, under international norms, the economic and trade relations between the two sides of the strait have continued to open up. Due to the low production costs of poultry, livestock and aquaculture in the mainland, large imports will inevitably hit local prices and affect the income of farmers and fishermen; in addition, because the mainland is plagued by many diseases The region, which may carry the risk of animal and plant diseases invading Taiwan, is a particularly potential threat.

◎About 95% of the main feed raw materials such as corn and soybeans rely on imports. In recent years, international crude oil prices have continued to rise, making the United States encourage the use of biomass fuels from a policy perspective. The development of biomass energy is still mainly based on corn extraction of ethanol. The demand for corn in the United States has increased significantly, and the price of corn has fluctuated sharply in recent years. At the same time, under the high freight cost, the cost is much higher than that of foreign producers. In terms of cost competitiveness, my country is at a disadvantage. Under the highly competitive domestic industry, profits have been greatly impacted.

◎ Environmental issues and food safety are serious issues that human beings must face together. Greenhouse effect and climate anomalies occur in the natural environment, making feeding and management more difficult.

◎The industry uses fungicides for a long time, resulting in environmental changes, frequent water pollution, and high stocking density, which is prone to disease problems, which are unfavorable factors for the breeding industry.

◎ The consumption habits of Chinese people are different from those in other countries, such as belly meat, chicken legs and offal. These products are low-priced products abroad, which will lead to a large amount of imports and cannot compete with them. Let the domestic livestock industry that was originally protected accept the challenge of internationalization.

5.2.2 Important uses and production processes of main products

1. Important uses of main products

(1). Feed: Diet for livestock, poultry and aquatic animals such as pigs, chickens, ducks, fish, and shrimps.

2. Livestock Feed Manufacturing Process

Raw materials→screening machine→storage tank→crusher→storage tank →computer formula→automatic metering→mixer→(premix, liquid mixing)→

Storage tank → (1) packaging → bag, bulk powdered feed

(2) Granulation→packaging→bags, bulk granular feed

3.Aquatic Feed Manufacturing Process:

Raw materials→screening machine→first mixing→micronizer→storage tank→second mixing→storage tank→granulation→cooling→storage tank →packing

5.2.3 Supply status of main raw materials

main products Category	main ingreadient	
	Name	main source
Livestock Feed	corn,soybean meal, fish meal	United States, Chile, Peru, domestic
Aquatic Feed	fish meal, flour	United States, Chile, Peru, domestic

5.2.4 Customers who have accounted for more than 10% of the total purchase (sales) in any of the last two years:

1.Information on major suppliers in the last two years:

	2023				2022				2024 as of the previous quarter			
project	name	amount (thousand)	Ratio of net purchases in the whole year〔%〕	Relationship with Issuer	name	amount (thousand	Ratio of net purchases in the whole year〔%〕	Relationship with Issuer	name	amount (thousand	The ratio of net purchases in the current year up to the previous quarter〔%〕	Relationship with Issuer
1	1509	5,147	21.93 %	no	1379	4,050	18.11 %	other related persons	1379	866	27.36%	other related persons
2	1379	4,726	20.14 %	other related persons	1509	9,871	44.13 %	no	1383	657	20.76%	no
3	1312	4,082	17.4%	no	1312	2,957	13.22 %	no	1509	450	14.22%	no
4	1318	3,815	16.26 %	no	no	no	no	no	1312	388	12.26%	no
5	no	no	no	no	no	no	no	no	1297	350	11.06%	no
6	no	no	no	no	no	no	no	no	no	no	no	no
7	no	no	no	no	no	no	no	no	no	no	no	no
	other	5,695	24.27 %	no	other	5,488	24.54 %	no	other	454	14.34%	no
	Net Purchase	23,465	100%	no	Net Purchase	22,366	100%	no	Net Purchase	3,165	100%	no

Note 1: List the name of the supplier whose total purchase amount exceeds 10% in the last two years, as well as the purchase amount and proportion, but if the name

of the supplier cannot be disclosed due to the contract or the transaction object is an individual and not a related party, it can be coded.

2.Customers who accounted for more than 10% of the total sales in any of the last two years: None

5.2.5 Production value in the last two years

Unit: NT$ thousand, metric ton

year / Production value / Major Products	2023			2022		
Major Products	Production	Yield	Output value	Product	Yield	Output value
chicken feed	10,000	0	0	10,000	0	0
pig feed	10,000	0	0	10,000	0	0
fish feed	10,000	61	1,669	10,000	11	338
shrimp feed	10,000	1,122	21,872	10,000	795	16,451
other feed	10,000	81	2,263	10,000	104	3,139
single feed	10,000	703	6,004	10,000	303	2,593
Total	60,000	1,967	31,808	60,000	1,213	22,521

5.2.6 Sales value in the last two years

Unit: NT$ thousand, metric ton

year / Production value / Major Products	2023				2022			
	Domestic sales		export		Domestic sales		export	
Major Products	quantity	value	quantity	value	quantity	value	quantity	value
chicken feed	0	0	0	0	0	0	0	0
pig feed	0	0	0	0	0	0	0	0
fish feed	1,383	22,780	0	0	1,317	20,921	0	0
shrimp feed	165	2,623	0	0	158	2,510	0	0
other feed	66	2,754	0	0	86	3,567	0	0
Feed Mill Subtotal	1,614	28,157	0	0	1,561	26,998	0	0
single feed	703	3,873	0	0	302	1,874	0	0
other	0	0	0	0	0	0	0	0
total	2,317	32,030	0	0	1,863	28,872	0	0

5.3 Employees

1. Number of employed employees, average length of service, average age, and distribution ratio of academic qualifications in the past two years and as of the publication date of the annual report:

year		2023	2022	Year ended March 31, 2024
Number of employees	staff	5	5	5
	technician	5	5	6
	general worker	4	5	4
	Temporary workers	2	2	2
	Total	16	17	17
average age		49.06	47.23	49.6
Average years of service		15.26	13.05	13.93
Educational distribution (%)	PhD	0.00%	0.00%	0.00%
	master	0.00%	0.00%	0.00%
	junior college	44%	35%	41%
	high school	31%	41%	35%
	below high school	25%	24%	24%

5.4 Environmental Expenditure Information

1.The total amount of losses (including compensation) and punishments suffered due to environmental pollution in the most recent year and up to the date of publication of the annual report:
This is not the case.

2.Future countermeasures (including improvement measures) and possible expenditures:
The company has always attached great importance to environmental protection. In accordance with the provisions of environmental protection laws and regulations, special personnel such as waste water treatment, air pollution prevention and waste disposal have been set up to deal with environmental protection related matters, so that the work of environmental protection and pollution prevention can be more effective. The global climate is changing rapidly. In order to ensure the sustainable development of the global environment, regulations are becoming increasingly stringent. The company's industry is not a medium or highly polluting industry and is less subject to relevant climate change regulations. However, in order to comply with laws and regulations, it is bound to adapt to the current situation. Pay higher costs.

5.5 Labor Relations

5.5.1 Employee welfare measures, advanced education, training, retirement system and its implementation, as well as labor-management agreements and various employee rights protection measures:

1. The company allocates welfare funds in accordance with the Employee Welfare Regulations, and organizes the Employee Welfare Committee to handle the main employee welfare measures as follows:
   (1) Labor Insurance, National Health Insurance
   (2) Supply of staff uniforms
   (3) employee health check
   (4) Distributing congratulatory gifts, condolences, and handling employee travel and dinner parties
   (5) Employee and children education bursary system
   (6) Free staff quarters
2. In order to enhance the quality concept of employees, strengthen professional skills and reduce industrial safety accidents, the education and training operation methods are formulated to provide the basis for employee training. The 2022 employee education and training achievements are as follows:

Education Training	Number of trainees	total hours	Expenditure	Course Title
Internal training	32	108	0	1. Farm Pollution Prevention and Control 2. Ensure creditor's rights practice. 3. Basic maintenance of machinery and equipment and official vehicles. 4. Feed Manufacturing Process. 5. Fire Prevention and Escape. 6. Sales skills etc. 7. Propaganda against insider trading. 8. Integrity management, compliance with laws and regulations, etc. 9. Insider Equity Trading Propaganda.
External training	13	72	24,700	1. Accounting Executive Continuing Education 2. On-the-job training for internal auditors. 3. Industrial safety and fire prevention promotion 4. Corporate Governance Forum. 5. Advocacy of legal compliance for insider equity transactions.

3. According to the provisions of the Labor Standards Law, the company's employees will set up a labor retirement reserve supervisory committee, and allocate surrender funds based on the total salary paid every month, of which 6% is applicable to new employees' personal pension accounts, and old employees Transfer 15% to the Taiwan Bank Pension Special Account. And in accordance with the provisions of the Labor Standards Law, the employee retirement method is stipulated in the employee work rules.
4. In order to coordinate labor-management relations and promote labor-management cooperation to improve work efficiency, regular elections of labor-management representatives and coordination meetings are held to protect the rights and interests of employees. There is also a suggestion box to provide employees with complaints and suggestions.
5. Code of Conduct or Ethics for Employees: The company has formulated

employee work rules, reward and punishment systems, and various management methods as the basis and guidelines for daily work. Therefore, there is no separate code of conduct or ethics for employees.

6. The "internal material information handling and insider trading prevention management procedures" have been formulated and all employees, managers and directors have been informed to avoid violations of laws and regulations, and they have also been disclosed on the company's website.

7. Working environment and employee personal safety protection measures: Labor safety and health management personnel are set up to ensure the safety and hygiene of employees in the workplace, operation manuals and standard safety operating procedures are established, on-the-job training such as fire safety drills and work safety lectures are held, Free employee health checks, masks and goggles are provided to prevent dust, and special cleaners are responsible for the cleanliness of the workplace to ensure that employees work in a comfortable and tidy environment. Surveillance systems are installed in the entire factory area and surrounding walls, and an access control system is set up to maintain the factory area and employees. Safety.

5.5.2 Losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report, and disclosed the estimated amount and countermeasures that may occur at present and in the future:

1. Losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report:
   None.
2. Estimated amount and response measures that may occur at present and in the future:
   It has been more than 40 years since the establishment of the company. The special personnel in the management office are responsible for planning the salary, promotion, reward and punishment, performance appraisal and other measures related to personnel, as the norms of employees' rights and obligations. From the various welfare measures mentioned above, we know that we have always paid great attention to the welfare of employees. For example, since the 1990s, we have implemented a two-day weekly rest and established a suggestion box for a long time. We usually receive the voices and opinions of employees and improve them so that The labor-management communication channel is unimpeded, and the employee welfare committee spares no effort to implement various welfare measures to show compassion for employees. If there is a possibility of labor disputes in the future, the welfare committee and the head of the management department will coordinate. If most people's demands are reasonable, the company will definitely adopt them and make improvements; no possible expenditures due to labor disputes are expected in the future.

5.6 Important Contracts

Supply and sales contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that are capable of affecting shareholders' rights and interests that are still valid as of the publication date of the annual report and expired in the most recent year: none.

5.7 acquire or dispose of assets

Major asset transactions of the company and its subsidiaries in the most recent year and up to the publication date of the annual report:
This is not the case.

5.8 Situation of personnel involved in Xingxing Financial Information Transparency obtaining relevant certificates from competent authorities:

As of the publication date of the annual report, none of them have obtained certificates. However, the accounting and internal auditors have completed advanced training in accordance with the regulations of the competent authority, and keep an eye on the revision of relevant laws and regulations to improve their self-ability and supplement professional knowledge to meet the needs of the company.

VI. Financial Information

6.1 Five-Year Financial Summary: Condensed Balance Sheet, Income Statements, CPAs and Their Opinions

6.1.1 Condensed Balance Sheet and Statement of Comprehensive Income

Consolidated Condensed Balance Sheet – Based on International Financial Reporting Standards (IFRS)

Unit：NT$ thousands

Item \ Year		Financial Summary over the past five years					Financial information for the year ended March 31, 2024（Note 2）
		2023	2022	2021	2020	2019	
Current Assets		823, 261	325, 754	2, 794, 555	3, 155, 036	3, 200, 913	1, 491, 567
Property, Plant & Equipment（Note 1）		171, 668	172, 143	170, 464	170, 290	170, 308	191, 209
Intangible Assets		0	0	0	0	0	0
Other Assets（Note 1）		3, 320, 530	3, 107, 410	1, 712, 426	842, 056	834, 806	3, 464, 101
Total Assets		4, 321, 478	3, 605, 307	4, 677, 445	4, 167, 328	4, 206, 027	5, 147, 276
Current Liabilities	Before Distribution	1, 992, 943	1, 462, 138	610, 254	1, 115, 657	1, 568, 320	2, 053, 633
	After Distribution	1, 992, 943	1, 462, 138	610, 254	1, 115, 657	1, 568, 320	2, 053, 633
Non-Current Liabilities		413, 567	445, 661	452, 397	54, 397	54, 404	430, 732
Total Liabilities	Before Distribution	2, 406, 510	1, 907, 799	1, 062, 651	1, 170, 054	1, 622, 724	2, 484, 365
	After Distribution	2, 406, 510	1, 907, 799	1, 062, 651	1, 170, 054	1, 622, 724	2, 484, 365

Equity attributable to owners of the parent		1,721,256	1,596,422	3,614,794	2,997,328	2,583,303	2,293,542
Common Stock		1,496,648	1,336,293	1,043,978	1,043,978	989,553	1,496,648
Capital Surplus		280,944	208,360	60,726	43,292	41,515	282,136
Retained Earnings	Before Distribution	671,797	918,779	979,697	695,434	600,536	789,746
	After Distribution	671,797	918,779	979,697	695,434	600,536	789,746
Other Equity		113,250	(65,291)	1,540,448	1,224,679	961,652	566,395
Treasury Stock		(841,383)	(801,719)	(10,055)	(10,055)	(9,953)	(841,383)
Non-Controlling Interest		193,712	101,086	0	0	0	0
Total Equity	Before Distribution	1,914,968	1,697,508	3,614,794	2,998,328	2,583,303	2,662,911
	After Distribution	1,914,968	1,697,508	3,614,794	2,998,328	2,583,303	2,662,911

＊If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and statement of comprehensive income for the last five years.

＊If the financial information using the International Financial Reporting Standards is less than 5 years, the following table (2) Financial information using the Chinese Financial Accounting Standards shall be prepared separately.

Note 1：2011 for land asset revaluation.

Note 2：Financial information the first quarter of 2024 has been audited and verified by CPAs.

Individual Condensed Balance Sheet- IFRS

Unit：NT$ thousands

Year / Item	Financial Summary over the past five years（Note 1）				
	2023	2022	2021	2020	2019
Current Assets	110,067	120,698	1,749,454	2,084,775	2,092,424
Property, Plant & Equipment（Note 2）	171,234	171,897	170,368	170,167	170,157
Intangible Assets	0	0	0	0	0
Other Assets（Note 2）	2,570,874	2,196,201	2,571,278	1,715,376	1,581,904

Total Assets		2,852,175	2,488,796	4,491,100	3,970,318	3,844,485
Current Liabilities	Before Distribution	350,330	199,965	423,939	918,623	1,206,808
	After Distribution	350,330	199,965	423,939	918,623	1,206,808
Non-Current Liabilities		780,589	692,409	452,367	54,367	54,374
Total Liabilities	Before Distribution	1,130,919	892,374	876,306	972,990	1,261,182
	After Distribution	1,130,919	892,374	876,306	972,990	1,261,182
Equity attributable to owners of the parent		1,721,256	1,596,422	3,614,794	2,997,328	2,583,303
Common Stock		1,496,648	1,336,293	1,043,978	1,043,978	989,553
Capital Surplus		280,944	208,360	60,726	43,292	41,515
Retained Earnings	Before Distribution	671,797	918,779	979,697	695,434	600,536
	After Distribution	671,797	918,779	979,697	695,434	600,536
Other Equity		113,250	(65,291)	1,540,448	1,224,679	961,652
Treasury Stock		(841,383)	(801,719)	(10,055)	(10,055)	(9,953)
Non-Controlling Interest		0	0	0	0	0
Total Equity	Before Distribution	1,721,256	1,596,422	3,614,794	2,997,328	2,583,303
	After Distribution	1,721,256	1,596,422	3,614,794	2,997,328	2,583,303

＊If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and statement of comprehensive income for the last five years.

＊If the financial information using the International Financial Reporting Standards is less than 5 years, the following table (2) Financial information using the Chinese Financial Accounting Standards shall be prepared separately.

Note 1：2024 In the first season, only consolidated financial statements were prepared, and no individual financial statements were prepared.
Note 2：2011 for land asset revaluation.

Consolidated Condensed Statement of Comprehensive Income – Based on International Financial Reporting Standards (IFRS)

Unit：NT$ thousands

Item \ Year	Financial Summary over the past five years（Note 2）					Financial information for the year ended March 31, 2024（Note 1）
	2023	2022	2021	2020	2019	
Operating Revenue	75, 719	63, 027	41, 090	78, 579	61, 778	17, 224
Gross Profit	20, 958	24, 937	15, 406	36, 501	31, 270	6, 219
Operating Profit	(5, 237)	10, 104	(5, 164)	17, 800	14, 993	(3, 474)
Non-operating income & Expense	97, 933	198, 509	88, 609	52. 600	32. 471	45, 544
Income before tax	92, 696	208, 613	83, 445	70, 400	47, 464	42, 070
Profit from Continuing Operations	85, 030	195, 633	82, 080	65, 636	46, 889	40, 082
Profit/Loss from Discontinued Operations	0	0	0	0	0	0
Net Income (Loss)	85, 030	195, 633	82, 080	65, 636	46, 889	40, 082
Other Comprehensive Income/ Loss for the period (After Tax)	298, 052	(1, 326, 540)	563, 942	401, 139	(2, 547, 241)	669, 490
Total Comprehensive Income/Loss	383, 082	(1, 130, 907)	646, 022	466, 775	(2, 500, 352)	709, 572
Net earnings attributable to owners of the parent	95, 215	169, 195	82, 080	65, 636	46, 889	35, 862
Net earnings attributable to non-controlling interest	(10, 185)	26, 438	0	0	0	4, 220
Comprehensive Income attributable to owners of the parent	322, 676	(1, 292, 400)	646, 022	466, 775	(2, 500, 352)	573, 194
Comprehensive Income attributable to non-controlling interest	60, 406	161, 493	0	0	0	136, 378
Earnings per Share (Note 3)	1. 10	1. 31	0. 81	0. 65	0. 49	0. 41

＊If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and statement of comprehensive income for the last five years.

＊If the financial information using the International Financial Reporting Standards is less than 5 years, the following table (2) Financial information using the Chinese Financial Accounting Standards shall be prepared separately.

Note 1：Financial information the first quarter of 2024 has been audited and verified by CPAs.

Note 2：Earnings per share are calculated based on the weighted average number of outstanding shares in circulation for the year, and the earnings per share of previous years are retroactively adjusted by converting surplus or capital reserves into capital. In addition, since 2002, the company's shares held by subsidiaries are regarded as treasury shares.

Note 3：The disclosed amount of earnings per share is NT$.

Individual Condensed Statement of Comprehensive Income –IFRS

Unit：NT$ thousands

Year / Item	Financial Summary over the past five years（Note 2）				
	2023	2022	2021	2020	2019
Operating Revenue	31,977	28,615	16,769	23,326	30,099
Gross Profit	(623)	(4,079)	(7,775)	(1,696)	(201)
Operating Profit	(12,608)	(13,366)	(26,758)	(18,807)	(15,335)
Non-operating income & Expense	110,178	182,543	109,842	84,777	62,215
Income before tax	97,570	169,177	83,084	65,970	46,880
Profit from Continuing Operations	95,215	169,195	82,080	65,636	46,889
Profit/Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss)	95,215	169,195	82,080	65,636	46,889
Other Comprehensive Income/ Loss for the period (After Tax)	230,338	(1,464,172)	563,487	401,139	(2,547,241)

Total Comprehensive Income/Loss	322,676	(1,292,400)	646,022	466,775	(2,500,352)
Net earnings attributable to owners of the parent	95,215	169,195	82,080	65,636	46,889
Net earnings attributable to non-controlling interest	0	0	0	0	0
Comprehensive Income attributable to owners of the parent	322,676	(1,292,400)	646,022	466,775	(2,500,352)
Comprehensive Income attributable to non-controlling interest	0	0	0	0	0
Earnings per Share	1.10	1.31	0.81	0.65	0.49

＊If the company prepares individual financial reports, it shall also prepare a condensed balance sheet and statement of comprehensive income for the last five years.

＊If the financial information using the International Financial Reporting Standards is less than 5 years, the following table (2) Financial information using the Chinese Financial Accounting Standards shall be prepared separately.

Note1：In 2021, after the price increase of raw materials in the global market and the loss of NT$2,408 ,000 in the sale of corn, the gross operating loss was NT$7,775,000.

Note2：2024 In the first season, only consolidated financial statements were prepared, and no individual financial statements were prepared.

6.1.2 **Auditors' Opinions for the Last Five Years**

1. Name of Audit Accountant：

Year	Accounting Firm	CPA
2019	Crowe (TW) CPAs	Xie,Ren Yao &Ching,Lin Li
2020	Crowe (TW) CPAs	Xie,Ren Yao &Ching,Lin Li
2021	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu
2022	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu
2023	Solomon & Co., CPAs	Lu, Song Yu & Chen, Yu Tzu

2. Audit Opinion：

Year	Audit Opinion	Audit Opinion content
2019	Unqualified	Something else－Checked by other accountants in the early stage
2020	Unqualified	
2021	Unqualified	Something else－Checked by other accountants in the early stage
2022	Unqualified	
2023	Unqualified	

6.2 Consolidated Financial Analysis – Based on IFRS

Item (Note2) \ Year (Note1)		Financial Summary for The Last Five Years					Year ended March 31, 2024 (Note1)
		2023	2022	2021	2020	2019	
Financial Structure %	Debt Ratio	55.69	52.92	22.72	28.08	38.58	48.27
	Ratio of long-term capital to property, plant and equipment	1,356.42	1,244.99	2,385.95	1,792.08	1,548.79	1,617.94
Solvency %	Current Ratio	41.31	22.28	457.93	282.80	204.10	72.63
	Quick Ratio	40.50	22.12	457.36	281.91	203.28	70.94
	Interest earned ratio (times)	3.64	9.00	6.24	3.44	2.51	5.73
Operating Performance	Accounts receivable turnover (times) Accounts receivable turnover (times)	0.50	0.47	0.30	0.56	0.41	0.48
	Average collection days in sales	730.00	776.60	1216.66	651.78	890.24	760.42
	Inventory turnover (times)	7.61	19.91	4.63	4.12	2.30	0.71
	Accounts payable turnover (times)	2.79	5.65	5.68	7.83	8.82	0.48
	Average days in sales	47.96	18.33	78.83	88.59	158.69	514.08
	Property, plant and equipment turnover (times)	0.44	0.37	0.24	0.46	0.35	0.09
	Total assets turnover (times)	0.02	0.02	0.01	0.02	0.01	0.004
Profitability	Return on total assets (%)	3.11	4.59	2.14	2.12	1.32	0.91
	Return on stockholders' equity (%)	5.27	6.37	2.48	2.35	1.22	1.57

	Net income before tax as a percentage of paid-in capital (%) (Note 6)	6.19	15.61	7.99	6.74	4.80	2.81
	Profit Margin（%）	125.75	268.45	199.76	83.53	75.90	208.21
	Earnings per share (NT$)	1. 10	1.31	0.81	0.65	0.49	0.41
Cash Flow	Cash flow ratio （%）	-3.73	-2.57	15.34	12.10	2.66	-0.89
	Cash flow adequacy ratio（%）	20.70	65.60	163.72	748.02	770.09	6.76
	Cash reinvestment ratio（%）	-7.99	-5.87	-1.49	2.42	1.43	-0.54
Leverage	Operating leverage	1.12	0.97	1.06	1.00	0.99	1.06
	Financial leverage	0.13	-0.63	0.24	-1.61	-0.91	0.28

1. Debt Ratio (%)：In 2022, the number of merged companies will increase, so the liabilities of the merged company will be merged, resulting in an increase in liabilities.
2. Current Ratio & Quick Ratio：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's receivables increased compared with 2022 and the market price of marketable securities increased at the end of 2023, so the market value increased accordingly after the evaluation.
3. Interest earned ratio：The interest expense for this period increased compared with the previous period, and the profit decreased compared with the previous period.
4. Inventory turnover (times) & Average days in sales：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's inventory will increase compared with 2022.
5. Accounts payable turnover (times)：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's payables will increase compared with 2022.
6. Net income before tax as a percentage of paid-in capital (%)：Profit in 2023 will be lower than in the previous period.
7. Profit Margin (%)：Dividend income from outside investment in 2023 will decrease compared with the previous period. And for companies that invest using the equity method, impairment assessments are conducted and impairment losses are provided, resulting in a decrease in net profit after tax compared to the previous period.

Note 1：Financial information the first quarter of 2024 has been audited and verified by CPAs.

Note 2：Formula:

1. Financial structure

(1) Liabilities to assets ratio = Total liabilities/ Total assets

(2) Long-term capital to PP&E ratio = (Gross shareholder’s equity + Non-current liabilities)/ Net PP&E

2. Solvency

(1) Current ratio = Current assets / Current liabilities

(2) Quick ratio = (Current assets – Inventory – Prepayments) / Current liabilities

(3) Interest coverage ratio =EBIT / Interest expense for current period

3. Operations

(1) Account receivable (including account receivable and note receivable from operation) turnover = Net revenue / Balance of average account receivable (including account receivable and note receivable from operation)

(2) Average collection period=365 / Account receivable turnover

(3) Inventory turnover= Cost of goods sold / Average inventory

(4) Account payable (including account payable and note payable from operation) turnover = Cost of goods sold / Balance of average account payable (including account payable and note payable from operation)

(5) Average daily sales = 365 / Inventory turnover

(6) PP&E turnover = Net revenue / Average Net PP&E

(7) Total assets turnover = Net revenue / Average total assets

4. Profitability

(1) ROA = [Profit(loss) after tax + Interest expenses x (1-tax rate)] / Average total assets

(2) ROE = Profit(Loss) after tax / Average equity

(3) Net profit rate = Profit(Loss) after tax / Net revenue

(4) EPS = (Net profit attributable to owners of the parent – dividend from preferred shares) / Weighted average number of outstanding shares（Note 3）

5. Cash flow

(1) Cash flow ratio = Net cash flow from operating activities / Current liabilities

(2) Cash flow adequacy ratio = Net cash flow from operating activities for the past five years / (Capital expenditure+Increases in inventory + Cash dividends) over the past five years

(3)) Cash reinvestment ratio = (Net cash flow from operating activities – Cash dividends) 118 / (Gross PP&E + Long-term investments + Other non-current assets + Working capital) (Note 4)

6. Leverage

(1) Operations leverage = (Net revenue – Variable cost and expenses from operations) / Operating profit (Note 5)。

(2) Financial leverage = Operating profit / (Operating profit-interest expenses)

Note 3：When analyzing EPS equation above, please note the followings:

1. Based on weighted average common stocks, not the shares issued at the end of the year.

2. Calculation for weighted-average common stock shall take into consideration the number of floating days of new shares issued from cash funding and treasury shares.
3. Those that had capital increase from retain earnings or capital reserve, the total capital shall be adjusted retroactively by the percentage of increase, and no consideration for the issuing period is needed, when calculate EPS for the entire fiscal year or the first six months.
4. If the preferred shares are non-convertible cumulative preferred stocks, the dividend (whether paid or not) shall be deducted from the after-tax net income/loss. If the preferred shares are non-cumulative preferred stocks, the dividends shall be deducted from the after-tax net income. No such adjustment shall be made if after-tax net loss.

Note 4：When analyzing the cash flows, please note the following matters:

1. Cash flows from operating activities mean the business has generated a net inflow of cash.
2. Capital expenditure means cash paid for long-term assets purchase during the year.
3. Inventory addition is only included when inventory balance at the period end is bigger than that at the beginning of the period. No inventory addition is included if inventory balance was down at the year end.
4. Cash dividend includes cash distribution paid to holders of both common stocks and preferred stocks.
5. Gross fixed assets means total fixed assets before depreciation.

Note 5：The issuer shall divide each operation cost and expense into fixed and variable categories based on their natures, if it is done by estimation or subjective judgments, the bases shall be logical and consistent.

Note 6：If the Company’s stock is without a par value or the par value is not NT$10, the calculation of paid-in capital ratio referred to above should be replaced with the equity ratio attributable to the shareholders of the parent company on the balance sheet.

＊ If the company prepares individual financial reports, it shall also prepare an analysis of the company's individual financial ratios.

Individual Financial Analysis – Based on IFRS

Item（Note2） / Year（Note1）		Financial Summary for The Last Five Years					Year ended March 31, 2024（Note1）
		2023	2022	2021	2020	2019	
Financial Structure %	Debt Ratio	39.65	35.86	19.51	24.51	32.80	
	Ratio of long-term capital to property, plant and equipment	1,109.32	1,013.55	1,811.56	1,383.02	1,193.53	
Solvency %	Current Ratio	31.42	60.36	412.67	226.95	173.38	
	Quick Ratio	30.99	59.71	411.86	225.88	172.33	
	Interest earned ratio (times)	9.01	16.49	7.80	4.03	3.01	
Operating Performance	Accounts receivable turnover (times)	6.38	6.89	4.58	5.53	5.66	
	Average collection days in sales	57.21	52.98	79.69	66.00	64.49	
	Inventory turnover (times)	52.12	23.41	4.45	2.46	2.29	
	Accounts payable turnover (times)	4.37	7.57	5.68	7.89	8.87	
	Average days in sales	7.00	15.59	82.02	148.37	159.39	
	Property, plant and equipment turnover (times)	0.14	0.13	0.08	0.11	0.13	
	Total assets turnover (times)	0.01	0.01	0.00	0.01	0.01	
Profitability	Return on total assets（%）	3.93	5.10	2.17	2.13	1.27	
	Return on stockholders' equity（%）	5.74	6.49	2.48	2.35	1.22	

	Net income before tax as a percentage of paid-in capital (%) (Note 6)	6.52	12.66	7.96	6.32	4.74	
	Profit Margin（%）	297.76	591.28	489.47	281.39	155.78	
	Earnings per share (NT$)	1.10	1.31	0.81	0.65	0.49	
Cash Flow	Cash flow ratio（%）	-7.78	-13.80	8.42	1.18	0.51	
	Cash flow adequacy ratio（%）	-	-	-	-	-	
	Cash reinvestment ratio（%）	-5.79	-5.15	-2.78	-1.31	0.21	
Leverage	Operating leverage	1.04	1.02	1.01	1.00	1.01	
	Financial leverage	0.51	0.55	0.69	0.46	0.40	

1. Debt Ratio (%)：In 2022, the number of merged companies will increase, so the liabilities of the merged company will be merged, resulting in an increase in liabilities.
2. Current Ratio & Quick Ratio：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's receivables increased compared with 2022 and the market price of marketable securities increased at the end of 2023, so the market value increased accordingly after the evaluation.
3. Interest earned ratio：The interest expense for this period increased compared with the previous period, and the profit decreased compared with the previous period.
4. Inventory turnover (times) & Average days in sales：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's inventory will increase compared with 2022.
5. Accounts payable turnover (times)：In 2023, the merged company Tai Yu Network & Communication Inc will be added, Therefore, the company's payables will increase compared with 2022.
6. Net income before tax as a percentage of paid-in capital (%)：Profit in 2023 will be lower than in the previous period.
7. Profit Margin (%)：Dividend income from outside investment in 2023 will decrease compared with the previous period. And for companies that invest using the equity method, impairment assessments are conducted and impairment losses are provided, resulting in a decrease in net profit after tax compared to the previous period.

Note 1： 2024 In the first season, only consolidated financial statements were prepared, and no individual financial statements were prepared.

Note 2：Calculation formula as previous page.

6.3 Audit Committee's Report for the Most Recent Year

SHIN TAI INDUSTRY CO.,LTD.

Audit Committee's Review Report

The Board has submitted the Company's 2023 business report, consolidated and individual financial statements, where consolidated and individual financial statements have been audited by Solomon & Co., CPAs, Sung-Yu Liu and Zi-Yu Chen through the appointment by the Board and an audit report has been issued accordingly.

The aforementioned proposal regarding Business Report, and Financial Statements have been reviewed and determined to be correct and accurate by the Audit Committee. Per Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To: 2024 General Shareholders' Meeting of SHIN TAI INDUSTRY CO.,LTD.

SHIN TAI INDUSTRY CO.,LTD

it Committee Convener: Shen Zi wen

March 15,2024

6.4 Financial difficulties for the company and its affiliates in the current year and up to the printing of the annual report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management：

7.1 Analysis of Financial Status (Consolidated Financial Statements)

Unit: NT$ thousands

Item \ Year	2023	2022	Difference Amount	Difference %
Current financial assets at fair value through profit or loss	520	529	(9)	-1.70%
Current financial assets at fair value through other comprehensive income	656,742	256,965	399,777	155.58%
Notes receivable and Accounts receivable, net	47,145	6,232	40,913	656.50%
Current inventories	12,914	1,487	11,427	768.46%
Investments accounted for using equity method	3,245,996	3,027,007	218,989	7.23%
Property, plant and equipment	171,668	172,143	(475)	-0.28%
Total Assets	4,321,478	3,605,307	716,171	19.86%
Current borrowings	819,209	637,933	181,276	28.42%
Short-term notes and bills payable	29,975	29,981	(6)	-0.02%
Non-current portion of non-current borrowings	359,000	391,240	(32,240)	-8.24%
Total Liabilities	30,658	8,586	22,072	257.07%
Capital stock	2,406,510	1,907,799	498,711	26.14%
Retained Earnings	1,496,648	1,336,293	160,355	12.00%
Other equity interest	671,797	918,779	(246,982)	-26.88%
Equity attributed to owners of the parent	113,250	(65,291)	178,541	273.45%
Total Equity	1,914,968	1,697,508	217,460	12.81%

7.1.1 Main reasons for significant changes in assets, liabilities and equity (changes of more than 20%) in the last two years：

1. The main reason for the decrease in total assets:

(1) The increase in financial assets measured at fair value through other comprehensive gains and losses was mainly due to the increase in the market price of the securities held at the end of 2023, so the market value increased accordingly after the evaluation.

(2) The increase in net notes receivable, accounts receivable, and inventory is due to the addition of Tai Yu Network & Communication Inc to the merged company from the end of 2023. Therefore, the increase in notes receivable, accounts receivable, and inventory caused an increase in total assets in the current period.

2. The main reason for the increase in total liabilities:
   (1) Since 2022, the merged companies have added American America, Tongan, and Anding, so the short-term loans from 2023 also include the loans of these three merged companies, resulting in an increase in the total liabilities of the current period.
   (2) Notes payable and accounts payable are due to the merger of the company with the addition of Tai Yu Network & Communication Inc from the end of 2023. Therefore, notes payable and accounts payable.The addition of Taiyu Company resulted in an increase in total liabilities in the current period.
3. The main reason for the increase in share capital: The increase in share capital was due to capital increase of NT$160,355,000 to the transfer of surplus.
4. The main reason for the increase in shareholders' equity:
   (1) The decrease in retained earnings is due to the decrease in net profit and disposal of equity instruments measured at fair value through other comprehensive gains and losses in 2023.
   (2) The increase in other equity was due to the increase in unrealized valuation benefits on financial assets measured at fair value through other comprehensive gains and losses.

7.1.2 Effect of changes on the company’s financial condition & future response actions:

The Company’s financial condition has not changed significantly

7.1.3 Future response plan: not applicable.

7.2 operating results

7.2.1 Comparative Analysis of Operating Results (Consolidated Financial Statements)

Unit: NT$ thousands

Year / Item	2023		2022		Difference	Difference
	Subtotal	Amount	Subtotal	Amount	Amount	%
Operating Revenue						
Net Sales	64, 443		34, 412		30, 031	87. 27%
Dividends and sale of financial assets	11, 276		28, 615		-17, 339	-60. 59%
Net Operating Revenue		75, 719		63, 027	12, 692	20. 14%
Operating Cost		(54, 761)		(38, 090)	16, 671	43. 77%
Gross Profit		20, 958		24, 937	-3, 979	-15. 96%
Operating Expenses		(26, 195)		(14, 833)	11, 362	76. 60%
Operating Income		(5, 237)		10, 104	-15, 341	-151. 83%
Non-operating Income and Expenses		97, 933		198, 509	-100, 576	-50. 67%
Income Before Tax		92, 696		208, 613	-115, 917	-55. 57%
Income Tax Expenses		(7, 666)		(12, 980)	-5, 314	-40. 94%
Net Income		85, 030		195, 633	-110, 603	-56. 54%

Explanation of variance in the last two years：

1. The net operating income of this period increased by NT$30,031 thousand compared with the previous period, with an increase rate of 87.27%, mainly due to the increase in operating income of the consolidated subsidiary Tai Yu Network & Communication Inc. The increase in operating costs was due to the increase in sales. Operating expenses increased by NT$11,362 thousand, mainly due to this is an increase in the operating expenses of Tai Yu Network & Communication Inc.
2. Non-operating income and expenses in 2023 will decrease by 50.67% compared with last year, This was due to the decrease in dividend income of NT$71,534 thousand in 2023 and the impairment assessment for companies that invested using the equity method, and an impairment loss of NT$ 102,267 thousand was provided.
3. The main reason for the increase in net profit in this period is as mentioned in point 2.

7.2.2 **The expected sales volume is based on:**

Based on past performance and changes in market demand, the projected sales quantities for year 2024 are as follows:

Product Category	Chicken Feed	Duck Feed	Dog/Cat Feed	Fish Feed	Shrimp Feed	Total
Projected Quantity (2024)	100 tons	100 tons	300 tons	1,500 tons	200 tons	2,200 tons

7.2.3 Effect of changes on the company's financial condition & future response actions:

The Company's financial condition has not changed significantly

7.2.4 Future response plan: not applicable.

7.3 Analysis of Cash Flow

7.3.1 Cash Flow Analysis for the Current Year (Consolidated Financial Statements)

Cash Flow Review and Analysis Form

Unit: NT$ thousands

Year / Item	2023	2022	Difference Amount	Difference %
Net cash flows from (used in) operating activities	(74,256)	(37,633)	36,623	97.32
Net cash flows from (used in) investing activities	(217,062)	314,832	-531,894	-168.95

Net cash flows from (used in) financing activities	344, 165	(420, 988)	765, 153	181. 75

Analysis of cash flow changes:

1. Net cash flows from (used in) operating activities Increase：In 2023, an impairment assessment was conducted on companies investing using the equity method, and an impairment loss of NT$102,267 thousand was provided. In addition, the share of associated enterprises and joint venture interests recognized using the equity method increased by NT$80,304 thousand compared with last year.
2. Net cash flows from (used in) investing activities Increase：The financial assets measured at fair value through other comprehensive gains and losses in 2023 increased by NT$526,752 thousand compared with last year.Investments obtained using the equity method increased compared with last year NT$572,440 thousand;the disposal of investments using the equity method increased by NT$475,819 thousand compared with last year.
3. Net cash flows from (used in) financing activities Increase：Short-term borrowings in 2023 will increase by NT$210,870 thousand compared with last year. Cash dividends paid decreased by NT$198,085 thousand compared with last year. Other payables increased by NT$ 348,716 thousand compared with last year.

7.3.2 Cash Flow Analysis for the Coming Year：

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Estimated Cash Outflow (Inflow)	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
				Investment Plans	Financing Plans
61, 705	100, 000	100, 000	61, 705	–	–

Analysis of cash liquidity in the coming year:

1. Net cash flows from operating activities：Strengthen the collection of accounts and strive to increase operating income.
2. Annual cash outflow:
   A. Investment activities: Additions or disposals of financial assets at fair value through other comprehensive profit or loss.
   B. Financing activities: Increase short-term loans with lower interest rates to repay financing loans with higher interest rates.
3. Remedial measures for estimated cash shortage and analysis of current situation: If there is insufficient cash, short-term investment will be disposed of as a response.

7.4 Major Capital Expenditure Items Impact Financial Conditions:

7.4.1 Utilization of major capital expenditures: None

7.4.2 Estimated impact on financial business: None

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year：

Unit：NT$ thousands

Company Name	2023 Profit and loss amount	Reinvestment policy	Main reasons for profit or loss	Improvement Program	Investment plan for the coming year
SHIN FONG TRADING CO., LTD.	74,878	Mainly invest in listed stocks to increase non-industry income.	Profit from selling stocks and distribution of cash dividends.	Adjust investment portfolio, reduce risk and increase profit.	There are currently no definite plans, depending on future market conditions.
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	6,385	Engaged in aquaculture and feed sales, etc.	Feed, oil, raw material trading.	Develop new customers and increase other income.	There are currently no definite plans, depending on future market conditions.
ANNDING INVESTMENT CO.,LTD.	2,754	Mainly invest in listed stocks to increase non-industry income.	Profit from selling stocks and distribution of cash dividends.	Adjust investment portfolio, reduce risk and increase profit.	There are currently no definite plans, depending on future market conditions.
ANDA INVESTMENT CO.,LTD.	40,903	Mainly invest in listed stocks to increase non-industry income.	Profit from selling stocks and distribution of cash dividends.	Adjust investment portfolio, reduce risk and increase profit.	There are currently no definite plans, depending on future market conditions.
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	1,336	Mainly invest in listed stocks to increase non-industry income.	Profit from selling stocks and distribution of cash dividends.	Adjust investment portfolio, reduce risk and increase profit.	There are currently no definite plans, depending on future market conditions.
TONG ANN CHEMICALS CO., LTD.	(52,261)	Mainly in the trading of chemical raw materials and	Profit from selling stocks and distribution of cash	Increase the income of the industry, adjust the	There are currently no definite plans, depending on

		products.	dividends.	investment portfolio, reduce risks and increase profits.	future market conditions.
TAI YU NETWORK & COMMUNICATION INC.	(1, 244)	Online communication product buying and selling.	The equity was only obtained in November 2023, so the recognition time was short. Taiyu Company's 2023 annual accounts will be profitable	Develop new customers to increase market share and improve existing customer service to maintain order volume.	There are currently no definite plans, depending on future market conditions.
FORMOSA OILSEED PROCESSING CO,LTD	367, 879	Oil products, feed manufacturing and trading and bulk raw material sales.	Oil products, feed manufacturing and trading and bulk raw material sales.	Develop new customers to increase market share and improve existing customer service to maintain order volume.	There are currently no definite plans, depending on future market conditions.
GENESIS TECHNOLOGY INC.	289, 788	Engaged in information system integration services.	Provide information system integration services for mainstream projects in today's information age.	Develop new customers to increase market share and improve existing customer service to maintain order volume.	There are currently no definite plans, depending on future market conditions.

7.6 Analysis of Risk Management

7.6.1 Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures:

Although most of the main raw materials of the company's feed such as corn, soybeans, barley, cassava flour, etc. rely on imports, and the export of aquatic feed has recently decreased, and there are special personnel to pay attention to financial information and changes in the foreign exchange market at any time, so as to fully grasp the exchange rate trend In addition, we will strengthen the relationship with banks and control the borrowing rate within a reasonable range. In the future, we will also strive to reduce bank borrowings to reduce the interest burden.

7.6.2 Policies, Main Causes of Profit or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions:

(1) High-risk, High-leveraged investments, lending funds to others, derivative commodity trading: None.

(2) Endorsement Guarantee:None.

(3) Hedge Accounting: The Company does not adopt hedge accounting.

7.6.3 Future Research & Development Projects and Corresponding Budget: No plan yet.

7.6.4 Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales: None.

7.6.5 Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sales: None.

7.6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures: None.

7.6.7 Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans: None.

7.6.8 Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans: None.

7.6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration: Require farmers to provide collateral and strengthen credit investigation for new customers.

7.6.10 Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: Equity is stable and risk-free.

7.6.11 Effects of, Risks Relating to and Response to the Changes in Management Rights: None.

7.6.12 Litigation or non-litigation incidents in the most recent year shall list the company and its directors, supervisors, general manager, actual person in charge, major shareholders holding more than 10% of the shares, and affiliated companies that have been determined or are still in the chain For major litigation, non-litigation or administrative disputes, the outcome of which may have a significant impact on shareholders' rights or securities prices, the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation, and the handling as of the

publication date of the annual report shall be disclosed situation: None.

7.6.13 Other Major Risks: None.

7.7 Other significant matters: None

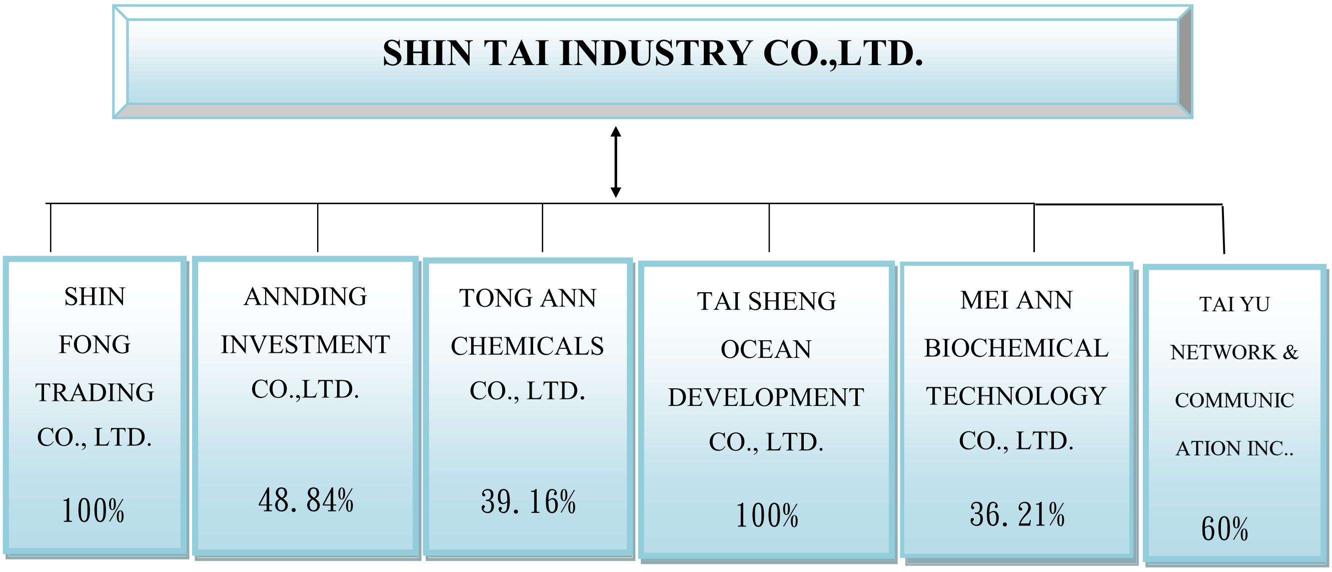
VIII. Special Disclosure

8.1 Summary of Affiliated Companies

8.1.1 Affiliated business merger business report

1. Summary of Affiliated Companies

(1) Relationship Enterprise Organization Chart



(2) Data of Affiliates: (2024 Season 1)

Unit：NT$ thousands

Affiliate	Date of Establishment	Address	Total Paid-in Capital	Major business or products
SHIN TAI INDUSTRY CO.,LTD.	1972.11.15	No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	1,496,648	Food and Grocery Wholesale Industry
SHIN FONG TRADING CO., LTD.	1988.02.04	1F,No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	751,846	Investment business (Note)
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	2003.02.07	1F,No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	25,000	Fishing industry, aquaculture industry.
ANNDING INVESTMENT CO.,LTD.	2003.01.29	8F-7, No. 51, Fuxing Road, Taoyuan City 330, Taiwan	753,000	Investment business
TONG ANN CHEMICALS CO., LTD.	1992.01.29	1F,No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	286,000	Chemical Raw Materials and Products Wholesale

MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	2000.11.06	1F,No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	29,000	Cosmetics Wholesale Industry
TAI YU NETWORK & COMMUNICATION INC.	2012.04.16	No.10,Kaonang Highway.,Jenwuh, Kaohsiung City 814, Taiwan	58,700	Online communication product buying and selling.

Note：SHIN FONG TRADING CO., LTD in the third quarter of 2023, the surplus was transferred to capital increase of NT$88,257,000.

(3) The industries covered by the business operations of the overall affiliated enterprises and the division of labor between them:

A. Industries covered by business operations: Production, processing and trading of poultry, livestock and fish feed, procurement, transportation and sales of various feed raw materials and their products, aquaculture, import and export trade, general investment, etc.

B. The business operations of the affiliated enterprises are related to each other and the division of labor between them: None

(4) Information regarding Directors, Supervisors, and Chairman of Affiliates

(2024 Season 1)

Entity Name	Position	Name or Representative	Shareholding Shares	Shareholding %
SHIN FONG TRADING CO., LTD.	Chairman	Wu Jinquan (SHIN TAI Legal Representative)	75, 184, 635	100%
	Supervisor	Ye Wenteng (SHIN TAI Legal Representative)	75, 184, 635	100%
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	Chairman	Wu Jinquan (SHIN TAI Legal Representative)	2, 500, 000	100%
	Director	Ye Wenteng (SHIN TAI Legal Representative)	2, 500, 000	100%
	Director	Wu Chenlian (SHIN TAI Legal Representative)	2, 500, 000	100%
	Supervisor	Tu Gueisiang (SHIN TAI Legal Representative)	2, 500, 000	100%
ANNDING INVESTMENT CO.,LTD.	Chairman	Qin Huiru	0	0%
	Director	Ye Wenteng	978, 900	1. 30%
	Director	Wu Chenlian	753, 000	1. 0%
	Supervisor	Tu Gueisiang	0	0%

TONG ANN CHEMICALS CO., LTD.	Chairman	Wu Jinquan	55, 000	19. 23%
	Supervisor	Tu Gueisiang	1, 000	0. 35%
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Chairman	Wu Jinquan	500, 000	17. 24%
	Supervisor	Ye Wenteng	50, 000	1. 72%
TAI YU NETWORK & COMMUNICATION INC.	Chairman	Wu Jinquan (GENESIS Legal Representative)	2, 207, 120	37. 6%
	Director	Gao Chongxian (GENESIS Legal Representative)	2, 207, 120	37. 6%
	Director	Zheng Yijia(GENESIS Legal Representative)	2, 207, 120	37. 6%
	Supervisor	Wu Xing cheng	0	0%

2. Operations of Affiliates (2023)

Unit: NT$ thousands

Entity Name	Total Paid-in Capital	Total Equity	Total Liability	Net Value	Operating Revenue	Net Income （after tax）	EPS
SHIN TAI INDUSTRY CO.,LTD.	1, 496, 648	2, 852, 175	1, 130, 919	1, 721, 256	31, 977	95, 215	1. 10
SHIN FONG TRADING CO., LTD.	751, 846	1, 599, 828	285, 252	1, 314, 576	8, 565	74, 878	0. 99
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	25, 000	54, 929	15, 370	39, 559	1, 059	6, 385	2. 55
ANNDING INVESTMENT CO.,LTD.	753, 000	2, 301, 032	287, 014	2, 014, 018	7, 074	2, 754	0. 04
TONG ANN CHEMICALS CO., LTD.	286, 000	2, 515, 056	735, 436	1, 779, 620	2, 694	(52, 261)	-182, 73
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	29, 000	1, 328, 491	442, 881	885, 610	0	1, 336	0. 46

TAI YU NETWORK & COMMUNICATION INC.	58,700	120,281	38,545	81,736	28,740	(1,244)	-0.21

＊ TONG ANN CHEMICALS CO., LTD.1 share = 1,000 yuan

8.1.2 Consolidated Financial Statements of Affiliated Companies & Affiliation Report :

Detailed 2023 Annual Report Appendix I、Appendix II

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of SHINTAI INDUSTRY CO., LTD. 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, "ConsolidatedFinancial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, SHINTAI INDUSTRY CO.,LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours
SHINTAI INDUSTRY CO., LTD.
By

Chin chuan Wu
Chairman

March 14, 2024

8.2 Private Placement Securities in the Most Recent Years and to the publish date of the annual report: None.

8.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years and to the publish date of the annual report:

Unit: NT$ thousands；Shares；%

Subsidiary Name （Note 1）	Total Paid-in Capital	Sources of funds	%	date of acquisition or disposal	Number of shares and amount acquired （Note 2）	Disposal of shares and amount （Note 2）	Investment profit and loss	The number and amount of shares held as of the publication date of the annual report 2024.04.30 （Note 3）	Set pledge situation	The company endorses the guarantee amount for the subsidiary	The company's loan amount to its subsidiaries
SHIN FONG TRADING CO., LTD.	751,846	own	100%	The year ended on the publication date of the annual report	_	_	_	4,886,472 Shares NT$404, 111 (book value)	None	None	None
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	25,000	own	100%	The year ended on the publication date of the annual report	_	_	_	None	None	None	None
ANNDING INVESTMENT CO.,LTD.	753,000	own	48.84%	The year ended on the publication date of the annual report	_	_	_	66,497,895Shares NT$5,499,376 (book value)	None	None	None
TONG ANN CHEMICALS CO., LTD.	286,000	own	39.16%	The year ended on the publication date of the annual report	_	_	_	26,922,786 Shares NT$2,226,514 (book value)	None	None	None
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	29,000	own	36.21%	The year ended on the publication date of the annual report	_	_	_	14,919,795 Shares NT$1,233,867 (book value)	None	None	None
TAI YU NETWORK & COMMUNICATIO INC.	58,700	own	60%	The year ended on the publication date of the annual report	_	_	_	None	None	None	None

Note 1：Please list them separately by subsidiary.

Note 2：The amount mentioned refers to the actual acquisition or disposal amount.

Note 3：The status of holding and disposition shall be listed separately, and their impact on the company's operating results and financial status shall be explained.

8.4 Other Essential Supplement: None

IX. The Items with Material Impact on Shareholder's Equity or Stock Market Price in accordance with the Article 36, paragraph 3 item 2 of Securities and Exchange Act:

None.

Appendix I: 2023 Audited Consolidated Financial Reports

Appendix II: 2023 Audited Individual Financial Reports

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SHINTAI INDUSTRY CO., LTD. and Subsidiaries

Consolidated Financial Statements for the Years Ended

December 31, 2023 and 2022 and Independent Auditors'Report

SHINTAI INDUSTRY CO., LTD. and Subsidiaries

Index to Financial Statements

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of SHINTAI INDUSTRY CO., LTD. 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, SHINTAI INDUSTRY CO., LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours
SHINTAI INDUSTRY CO., LTD.
By

Chin chuan Wu
Chairman

March 14, 2024

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying consolidated financial statements of SHINTAI INDUSTRY CO., LTD. and its subsidiaries (SHINTAI Group), 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 the audit results of this accountant and the audit reports of other accountants(Please see the Other Matters section) and other auditors' reports set forth in Major Accounting items, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company 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 Interpretation(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public

Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we are independent of the parent company and subsidiaries, fulfilling our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 the Company's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Investments accounted for using the equity method

For accounting policies related to investments accounted for using the equity method, please refer to Note 4(10) to the consolidated financial statements; for information on investments accounted for using the equity method, please refer to Note 6(6) to the consolidated financial statements.

Explanation of Key Audit Matters:

The investment accounted for using the equity method for SHINTAI Group as of December 31, 2023 was NT$3,245,996 thousand, representing 75.2% of total assets. As it is considered a significant item in the consolidated financial statements, the investment accounted for using the equity method is identified as a key audit matter.

Audit procedures responsive to the financial statements:

- Assessing the reasonableness of the investment and subsequent evaluation policies formulated by management
- Confirming that transactions are approved and verifying the accuracy of transaction amounts
- Accounting for the investment gains and losses recognized by SHINTAI Group based on the equity holding percentage and the related portion of other comprehensive income
- Obtaining evidence and verifying relevant vouchers
- Evaluating for any impairment indicators as of the balance sheet date
- Assessing whether the relevant disclosures in the financial statement notes by management are appropriate

Other Matters

For some of the investee companies evaluated using the equity method by SHINTAI Group, their financial statements have not been audited by our accountants but by other accountants. Therefore, the opinions expressed by our accountants on the individual financial statements mentioned above, including the amounts and related information disclosed in Note 13 concerning the financial statements of these companies, are based on the audit reports of those other accountants. As of December 31, 2023, the investment in these investee companies evaluated using the equity method amounted to NT$1,778,365 thousand, representing 41.2% of the total assets.From January 1 to December 31, 2023, the share of profits and losses of related enterprises and joint ventures recognized using the equity method was NT$114,268 thousand, representing 29.8% of total consolidated comprehensive profit and loss. SHINTAI Group has prepared individual financial reports for the 2023 and 2022 of the Republic of China, and the accountant has issued an unqualified audit report with paragraphs on other matters on record 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, the management is responsible for assessing SHINTAI Group'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 SHINTAI Group or to cease operations, or has no realistic alternative but to do so. Those charged with governance (including Auditors) are responsible for overseeing SHINTAI Group's financial reporting process.

Auditors' Responsibilities for the Audit of the 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 generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 SHINTAI Group 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 and appropriate audit evidence regarding the financial information of the entities or business activities within SHINTAI Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinions.

We communicate with those charged with governance regarding, among other matters, the planned scope and 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, 2023 and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors’ report are Sung-Yu Lyu and Zi-Yu Chen.

SOLOMON & CO., CPAs.

Taichung, Taiwan Republic of China

March 15, 2024

Notice to Readers

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

SHINTAI INDUSTRY CO., LTD.

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NTD thousands

			December 31, 2023		December 31, 2022	
Code	Assets	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	Note 6 (1)	$ 61,705	1.4	$ 8,858	0.2
1110	Current financial assets at fair value through profit or loss	Note 6 (2)	520	—	529	—
1120	Current financial assets at fair value through other comprehensive income	Note 6 (5) 8	656,742	15.2	256,965	7.1
1150	Notes receivable, net	Note 6 (3)	2,828	0.1	1,970	0.1
1170	Accounts receivable, net	Note 6 (3)	44,317	1.0	4,262	0.1
1200	Other receivables	Note 7	40,746	0.9	48,914	1.4
130X	Current inventories	Note 6 (4)	12,914	0.3	1,487	—
1410	Prepayments		3,221	0.1	821	—
1470	Other current assets		268	—	1,948	0.2
11XX	Total current assets		823,261	19.0	325,754	9.1
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	Note 6 (5)	13,210	0.3	12,925	0.4
1550	Investments accounted for using equity method	Note 6 (6) 8	3,245,996	75.2	3,027,007	84.0
1600	Property, plant and equipment	Note 6 (7) 8	171,668	4.0	172,143	4.8
1755	right-of-use assets	Note 6 (8)	473	—	—	—
1760	Investment property, net	Note 6 (9)	56,178	1.3	55,826	1.5
1840	Deferred tax assets	Note 6 (23)	5,146	0.1	6,238	0.2
1920	Guarantee deposits paid		4,957	0.1	132	—
1975	Net defined benefit asset, non-current	Note 6 (13)	115	—	115	—
1990	Other non-current assets, others	Note 8	474	—	5,167	—
15XX	Total non-current assets		3,498,217	81.0	3,279,553	90.9
1XXX	Total assets		$ 4,321,478	100.0	$ 3,605,307	100.0

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NTD thousands

			December 31, 2023		December 31, 2022	
Code	Liabilities and Equity	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Current borrowings	Note 6 (10)	$ 819,209	19.0	$ 637,933	17.7
2110	Short-term notes and bills payable	Note 6 (11)	29,975	0.7	29,981	0.8
2130	Current contract liabilities	Note 6 (17)	4,590	0.1	—	—
2150	Notes payable		322	—	—	—
2170	Accounts payable	Note 7	30,336	0.7	8,586	0.2
2200	Other payables		44,175	1.0	163,284	4.5
2220	Other payables to related parties	Note 7	976,563	22.6	546,555	15.2
2230	Current tax liabilities		29,311	0.7	38,264	1.1
2280	Lease liability	Note 6 (8)	298	—		—
2320	Long-term liabilities, current portio	Note 6 (12)	47,240	1.1	27,000	0.7
2300	Other current liabilities, others	Note 7	10,924	0.3	10,535	0.2
21XX	Total current liabilities		1,992,943	46.2	1,462,138	40.4
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	Note 6 (12)	359,000	8.3	391,240	10.9
2570	Deferred tax liabilities	Note 6 (23)	54,303	1.3	54,303	1.5
2580	Lease liability	六(8)	177	—	—	—
2645	Guarantee deposits received	Note 7	87	—	118	—
25XX	Total non-current liabilities		413,567	9.6	445,661	12.4
2XXX	Total liabilities		2,406,510	55.8	1,907,799	52.8
	Equity Attributed to the Owner(s) of the Parent Company	Note 6 (14)				
3100	Share capital					
3110	Ordinary share		1,496,648	34.6	1,336,293	37.1
3200	Capital reserves		280,944	6.5	208,360	5.8
3300	Retained earnings					
3310	Legal reserve		261,436	6.0	227,857	6.3
3320	Special reserve		97,417	2.3	97,417	2.7
3350	Unappropriated retained earnings		312,944	7.2	593,505	16.5
	Total retained earnings		671,797	15.5	918,779	25.5
3400	Other equity interest	Note 6 (14)	113,250	2.6	(65,291)	(1.8)
3500	Treasury shares	Note 6 (15)	(841,383)	(19.5)	(801,719)	(22.2)
31XX	Total equity attributable to owners of parent		1,721,256	39.7	1,596,422	44.4
36XX	Non-controlling interests	Note 6 (14)	193,712	4.5	101,086	2.8
3XXX	Total equity		1,914,968	44.2	1,697,508	47.2
3X2X	Total liabilities and equity		$ 4,321,478	100.0	$ 3,605,307	100.0

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousands; EPS in NTD

Code	Accounting Title	notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	operating revenue	Note 6 (17)	$ 75,719	100.0	$ 63,027	100.0
5000	operating costs	Note 6 (4.18).7	54,761	72.3	38,090	60.4
5900	Gross profit (loss) from operations		20,958	27.7	24,937	39.6
	Operating expenses					
6100	Selling expenses		10,997	14.5	959	1.5
6200	Administrative expenses	Note 6 (18).7	16,609	21.9	22,076	35.0
6300	Research and development expenses		1	—	4	—
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	Note 6 (3)	(1,412)	(1.9)	(8,206)	(12.9)
6000	Total operating expenses		26,195	34.5	14,833	23.6
6900	Net operating income (loss)		(5,237)	(6.9)	10,104	16.0
	Non-operating income and expenses					
7100	interest income	Note 6 (19)	262	0.3	53	0.1
7010	other income	Note 6 (20)	17,348	22.9	89,564	142.1
7020	Other gains and losses, net	Note 6 (21)	1,456	1.9	(1,007)	(1.6)
7670	Impairment losses	Note 6 (6)	(102,267)	(135.1)	—	—
7050	Financial costs	Note 6 (22)	(35,132)	(46.4)	(26,063)	(41.4)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	Note 6 (6)	216,266	285.6	135,962	215.7
7000	Total non-operating income and expenses		97,933	129.2	198,509	314.9
7900	Profit (loss) from continuing operations before tax		92,696	122.4	208,613	331.0
7950	Total tax expense (income)	Note 6 (23)	(7,666)	(10.1)	(12,980)	(20.6)
8200	Profit (loss)		85,030	112.3	195,633	310.4
	Other comprehensive income					
8310	Components of other comprehensive income that will not					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other		194,994	257.5	(578,273)	(917.5)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that		106,281	140.4	(750,844)	(1,191.3)
			301,275	397.9	(1,329,117)	(2,108.8)
8360	Components of other comprehensive income that will be					
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that		(3,223)	(4.3)	2,577	4.1
8300	Total other comprehensive income		298,052	393.6	(1,326,540)	(2,104.7)
8500	Total comprehensive income		$ 383,082	505.9	$ (1,130,907)	(1,794.3)
8600	Profit (loss), attributable to:					
8610	Profit (loss), attributable to owners of parent		$ 95,215	125.7	$ 169,195	268.4
8620	Profit (loss), attributable to non-controlling interests		(10,185)	(13.5)	26,438	41.9
			$ 85,030	112.3	$ 195,633	310.4
8700	Comprehensive income attributable to:					
8710	Comprehensive income, attributable to owners of parent		$ 322,676	426.1	$ (1,292,400)	(2,050.5)
8720	Comprehensive income, attributable to non-controlling interests		60,406	79.8	161,493	256.2
			$ 383,082	505.9	$ (1,130,907)	(1,794.3)
	Basic earnings per share					
9750	Total basic earnings per share	Note 6 (24)	$ 1.10		$ 1.17	

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd. and Subsidiary Companies

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	Equity that Belongs to Owner of Parent Company										
	Share capital		Retained earnings			Other equity interest					
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Equity related to non-current assets (or disposal groups) classified as held for sale	Treasury shares	Non-controlling interests	Total equity
Jan 1, 2022 balance	$ 1,043,978	$ 60,726	$ 183,771	$ 97,417	$ 698,509	$ 455	$ 1,550,178	$ (10,185)	$ (10,055)	—	$ 3,614,794
Appropriation and distribution of earnings											
Legal reserve appropriated	—	—	44,086	—	(44,086)	—	—	—	—	—	$ —
Cash dividends of ordinary share	—	—	—	—	(104,397)	—	—	—	—	—	$ (104,397)
Stock dividends of ordinary share	292,315	—	—	—	(292,315)	—	—	—	—	—	$ —
Changes in equity of associates and joint ventures accounted for using equity method	—	(46,607)	—	—	22,455		—	—	—	—	$ (24,152)
2022 Profit (loss)	—	—	—	—	169,195	—	—	—	—	26,438	$ 195,633
2022 Other comprehensive income	—	—	—	—	895	2,577	(1,465,067)	—	—	135,055	$ (1,326,540)
Acquisition of company's share by subsidiaries recognized as treasury share	—	—	—	—	—	—	—	—	(794,949)	—	(794,949)
Disposal of company's share by subsidiaries recognized as treasury share transactions	—	2,758	—	—	—	—	—	—	3,285	—	6,043
Adjustments of capital surplus for company's cash dividends received by subsidiaries	—	100,599	—	—	—	—	—	—	—	—	$ 100,599
Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	—	—	—	143,249	—	(143,249)	—	—	—	$ —
Changes in ownership interests in subsidiaries	—	90,884	—	—	—	—	—	—	—	(90,884)	$ —
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	30,477	$ 30,477
Others	—	—	—	—	—	—	(10,185)	10,185	—	—	$ —
Dec 31, 2022 balance	$ 1,336,293	$ 208,360	$ 227,857	$ 97,417	$ 593,505	$ 3,032	$ (68,323)	$ —	$ (801,719)	$ 101,086	$ 1,697,508
Jan 1, 2023 balance	$ 1,336,293	$ 208,360	$ 227,857	$ 97,417	$ 593,505	$ 3,032	-$ 68,323	$ —	$ (801,719)	$ 101,086	$ 1,697,508
Appropriation and distribution of earnings											
Legal reserve appropriated	—	—	33,579	—	(33,579)	—	—	—	—	—	—
Cash dividends of ordinary share	—	—	—	—	(133,629)	—	—	—	—	—	(133,629)
Stock dividends of ordinary share	160,355	—	—	—	(160,355)	—	—	—	—	—	—
Changes in equity of associates and joint ventures accounted for using equity method	—	1,864	—	—	(97,133)	—	—	—	—	—	(95,269)
2023 Profit (loss)	—	—	—	—	95,215	—	—	—	—	(10,185)	85,030
2023 Other comprehensive income	—	—	—	—	501	(2,877)	229,837	—	—	70,591	298,052
Acquisition of company's share by subsidiaries recognized as treasury share	—	—	—	—	—	—	—	—	(39,664)	(6,869)	(46,533)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	—	70,720	—	—	—	—	—	—	—	—	70,720
Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	—	—	—	48,419	—	(48,419)	—	—	—	—
Changes in ownership interests in subsidiaries	—	—	—	—	—	—	—	—	—	33,192	33,192
Changes in non-controlling interests	—	—	—	—	—	—	—	—	—	5,897	5,897
Dec 31, 2023 balance	$ 1,496,648	$ 280,944	$ 261,436	$ 97,417	$ 312,944	$ 155	$ 113,095	$ —	$ (841,383)	$ 193,712	$ 1,914,968

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Consolidated Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	2023	2022
Cash Flow for Operating Activities		
Profit (loss) before tax	$ 92,696	$ 208,613
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,158	867
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,412)	(8,206)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	9	(11)
Interest expense	35,132	26,063
Interest income	(262)	(53)
Dividend income	(12,859)	(84,393)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(216,266)	(135,962)
Loss (gain) on disposal of property,plan and equipment	—	2
Disposal of investment interests	1,466	—
Other adjustments to reconcile profit (loss)	(3,738)	—
Impairment losses using the equity method	102,267	—
Total adjustments to reconcile profit (loss)	(94,505)	(201,693)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	449	(947)
Decrease (increase) in accounts receivable	(7,958)	5,613
Decrease (increase) in other receivable	9	2,155
Adjustments for decrease (increase) in inventories	3,029	1,821
Decrease (increase) in prepayments	1,424	296
Adjustments for decrease (increase) in other current assets	1,891	246
Contract liabilities	(3,106)	—
Increase (decrease) in notes payable	(3,680)	—
Increase (decrease) in accounts payable	5,350	2,959
Increase (decrease) in other payable	11,742	(25,854)
Adjustments for increase (decrease) in other current liabilities	(32,251)	(242)
Total changes in operating assets and liabilities	(23,101)	(13,953)
Total adjustments	(117,606)	(215,646)
Cash inflow (outflow) generated from operations	(24,910)	(7,033)
Interest received	262	53
Interest paid	(37,337)	(19,715)
Income taxes refund (paid)	(12,271)	(10,938)
Net cash flows from (used in) operating activities	(74,256)	(37,633)

(next page)

	2023	2022
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(868,308)	(341,556)
Proceeds from disposal of financial assets at fair value through other comprehensive income	594,231	552,318
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	—	17
Acquisition of investments accounted for using equity method	(668,698)	(96,258)
Disposal of investments using the equity method	475,819	—
Acquisition of subsidiaries (net of cash received)	57,124	—
Acquisition of property, plant and equipment	(421)	(2,152)
Proceeds from disposal of property, plant and equipment	—	12
Acquire investment real estate	(424)	—
Decrease in refundable deposits	10,704	—
Increase in other non-current assets	214	(167)
Other receivables (increase)	(1,024)	—
Dividends received	178,721	198,616
Net cash inflows from business combination	—	912
Other investing activities	5,000	3,090
Net cash flows from (used in) investing activities	(217,062)	314,832
Cash flows from (used in) financing activities		
Decrease in short-term loans	181,127	(29,743)
Decrease in short-term notes and bills payable	(6)	(69,941)
Increase in guarantee deposits received	—	24
Other receivables-related parties	9,183	—
Decrease in other payables to related parties	295,382	(53,334)
Cash dividends paid	(62,909)	(260,994)
Proceeds from long-term debt	15,000	—
repay long-term borrowings	(47,000)	(7,000)
Margin deposit reduced	(31)	—
Lease principal repayment	(48)	—
Treasury stock buy-back cost	(46,533)	—
Net cash flows from (used in) financing activities	344,165	(420,988)
Net increase (decrease) in cash and cash equivalents	52,847	(143,789)
Cash and cash equivalents at beginning of period	8,858	152,647
Cash and cash equivalents at end of period	$ 61,705	$ 8,858

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

SHINTAI INDUSTRY CO., LTD. and Subsidiaries

Notes to Consolidated Financial Statements

December 31, 2023 and 2022

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

1. Organization

SHINTAI INDUSTRY CO., LTD. (hereinafter referred to as the Company) was established in November 1972. The Company's main business includes manufacturing, processing, and trading of various feed products for poultry, livestock, and fish; procurement and marketing of raw materials and related products for feed; processing, manufacturing, freezing, refrigerating, packaging, and trading of agricultural, forestry, fishery, and livestock products, by-products, and food; breeding and reproduction of various poultry and livestock, aquaculture of fish, import and reproduction of breeding cattle and pigs, and commissioned breeding test research services; warehouse and labor supply services; import and export trade and agency business for the aforementioned activities on behalf of domestic and foreign manufacturers; grain and food wholesale business, as well as food and beverage retail business. The Company's stock has been listed on the Taiwan Stock Exchange since September 11, 2000. For the Company's main operating activities and its subsidiaries (hereinafter referred to as the "consolidated companies"), please refer to Note 4(3) for details. The Company has no ultimate parent company.

The consolidated financial statements are expressed in functional currency of New Taiwan Dollars for the Company.

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

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on March 14, 2024.

3. *Application Of New And Revised International Financial Reporting Standards*

A. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC). The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

Amendment to IAS 12: "International Tax Reform—Pillar Two Model Rules"

This amendment introduces an exception to IAS 12, explicitly stating that the company shall not recognize deferred tax assets and liabilities related to Pillar Two income taxes, nor shall it disclose related information on such deferred tax. However, the company must disclose that it has applied this exception and separately disclose the current income tax expense (income) related to Pillar Two income taxes. Additionally, during the period when the Pillar Two legislation has been enacted or substantively enacted but is not yet effective, the company shall disclose qualitative and quantitative information known or reasonably estimable to help users understand its exposure to Pillar Two income taxes. Upon issuance, this amendment must be applied immediately and retrospectively to the extent of the exception and disclosure of its application; other disclosure requirements apply to annual reporting periods beginning on or after January 1, 2024, and do not apply to interim financial reports for any interim period ending before December 31, 2024.

(1) The International Accounting Standards Board (IASB) has issued and the Financial Supervisory Commission has approved the IFRS accounting standards to be applied in 2024.

Newly Issued/Amended/Revised Standards and Interpretations	IASB Effective Date
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Notes:

1.Unless otherwise specified, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

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

3.Certain disclosure requirements are exempted upon the first application of these amendments.

As of the date this consolidated financial report was approved for issuance, the consolidated companies have assessed that the other amendments and interpretations will not have a significant impact on their financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB(Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Revision of IFRS 17.	January 1, 2023
Revision of IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information".	January 1, 2023
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new issuance/revision/amendment standards or interpretations shall be effective for annual reporting periods beginning on or after the respective dates mentioned.

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

4. ***Summary Of Significant Accounting Policies***

The following is an explanation of the main accounting policies adopted in the preparation of this consolidated financial report. Unless otherwise stated, these policies have been consistently applied throughout all reporting periods.

I. Follow the statement

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards (IFRSs), which have been approved and published by the Financial Supervisory Commission and are effective.

II. Basis of preparation

i. Except for the following significant items, this consolidated financial report is prepared on a historical cost basis.

A. Financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.

B. Financial assets measured at fair value through other comprehensive income.

C. Recognition of the net amount of retirement fund assets and the present value of defined benefit obligations as recognized defined benefit liabilities.

ii. The preparation of consolidated financial reports in accordance with the approved IFRSs by the Financial Supervisory Commission requires the use of significant accounting estimates. The application of accounting policies for consolidated entities also involves management's judgment, particularly in areas involving high judgment or complexity, or significant assumptions and estimates related to the consolidated financial reports. Please refer to Note 5 for further details.

III. Basis of Consolidation

i. Principles of Consolidated Financial Statement Preparation:

A. The consolidated company includes all subsidiaries in the preparation of the consolidated financial statements. Subsidiaries refer to entities (including structured entities) controlled by the consolidated company, where the consolidated company has power over the variable returns from its involvement with the entity or the ability to affect those returns through its power over the entity. Subsidiaries are included in the consolidated financial statements from the date control is acquired by the consolidated company and cease to be consolidated from the date control is lost.

B. Transactions, balances, and unrealized gains within the group have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the consolidated company.

C. Profits and components of other comprehensive income are attributed to the owners of the parent company and non-controlling interests. The total amount of comprehensive income is also attributed to the owners of the parent company and non-controlling interests, even if it results in a deficit balance for non-controlling interests.

D. Changes in ownership interest in subsidiaries that do not result in loss of control (excluding transactions with non-controlling interests) are treated as equity transactions, meaning they are considered transactions with the owners. Adjustments to non-controlling interests resulting from the difference between the fair value of consideration paid or received and the carrying amount are directly recognized in equity.

E. When the group loses control over a subsidiary, the remaining investment in the former subsidiary is remeasured at fair value, and any difference between fair value and the carrying amount is recognized as a loss in the current period. The fair value is treated as the initial fair value of the financial asset or the cost of the initial investment in an associated company or joint venture. For any amounts previously recognized in other comprehensive income related to the former subsidiary, the accounting treatment is consistent with the basis of disposing of the associated assets or liabilities directly by the consolidated company. In other words, if a gain or loss previously recognized in other comprehensive income is reclassified as a loss upon the disposal of the related assets or liabilities, when control is lost over the subsidiary, that gain or loss is reclassified as a loss in equity.

ii. The subsidiaries included in the consolidated financial statements are as follows:

			Percentage of Ownership		
Name of Investor	Name of Investee	Main Businesses and Products	December 31, 2023	December 31, 2022	Note
SHIN TAI INDUSTRY CO.,LTD.	SHIN FONG TRADING CO., LTD.	General investment industry.	100.00%	100.00%	
	TAI SHENG OCEAN DEVELOPMENT CO., LTD.	Fishing industry aquaculture industry.	100.00%	100.00%	
	ANNDING INVESTMENT CO.,LD	General investment industry.	48.84%	48.84%	Note1

	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Wholesale cosmetics industry.	36.21%	36.21%	Note1
	TONG ANN CHEMICALS CO., LTD	Wholesale of chemical raw materials and their products.	39.16%	39.16%	Note1
	TAI YU NETWORK& COMMUNICATION INC .	Online communication product buying and selling.	60%	--	Note2
ANNDING INVESTMENT CO.,LD	SHIN TAI INDUSTRY CO.,LTD.	Manufacturing and trading of poultry, livestock, and fish feed.	44.43%	44.43%	
	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Wholesale cosmetics industry.	18.97%	18.97%	
	TONG ANN CHEMICALS CO., LTD.	Wholesale of chemical raw materials and their products.	19.23%	19.23%	
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	ANNDING INVESTMENT CO.,LD	General investment industry.	6.34%	6.34%	
	TONG ANN CHEMICALS CO., LTD.	Wholesale of chemical raw materials and their products.	19.23%	19.23%	
TONG ANN CHEMICALS CO., LTD.	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Wholesale cosmetics industry.	10.34%	10.34%	

Note 1: Although the shareholding does not exceed 50%, the group exercises significant control over the comprehensive shareholding, therefore it is included in the consolidated financial statements. Please refer to Note 6(6) for further details.

Note 2: It is a subsidiary newly added in 2023

iii. Excluded subsidiaries from the consolidated financial statements: None.

iv. Adjustments and treatment of subsidiaries with different accounting periods: None.

v. Significant limitations: None.

vi. Please refer to Note 6(15) for details regarding the contents of the subsidiary's holdings of the parent company's securities.

vii. Information on subsidiaries with significant non-controlling interests: None.

IV. Foreign currency

Foreign currency transactions and balances

A. Foreign currency transactions are converted into the functional currency using the spot exchange rate on the transaction date or measurement date.

B. Foreign currency monetary assets and liabilities are revalued at the spot exchange rate on the balance sheet date, and any resulting translation differences from the adjustment are recognized as current gains.

C. Foreign non-monetary items measured at fair value are translated using the exchange rates on the date of determination of fair value. Any resulting exchange differences are recognized as current-year losses. However, if they are part of fair value changes recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income. Foreign non-monetary items measured at historical cost are translated using the exchange rates on the transaction date and are not retranslated thereafter.

V. Classification of current and non-current items

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

a. The asset is expected to be realized within the normal operating cycle or intended to be sold or consumed.

b. Held primarily for trading purposes.

c. Expected to be realized within twelve months from the balance sheet date.

d. Cash or cash equivalents, excluding those restricted for exchange, settlement of liabilities, or other limitations beyond twelve months from the balance sheet date

The merged company classifies all assets that do not meet the above conditions as non-current

B. Liabilities are classified as current liabilities if they meet one of the following conditions; otherwise they are classified as non-current liabilities:

a. Expected to be settled within the normal operating cycle.

b. Held primarily for trading purposes.

c. Required to be settled within twelve months from the balance sheet date, even if long-term refinancing or restructuring agreements have been completed between the balance sheet date and the issuance of financial statements.

d. Cannot be unconditionally extended beyond at least twelve months from the balance sheet date. The terms of the liability may allow for settlement through the issuance of equity instruments at the option of the counterparty, without affecting its classification.

The combined company classifies all liabilities that do not meet the above conditions as non-current

VI. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and highly liquid investments that are readily convertible into known amounts of cash and have insignificant risk of value fluctuations (including term deposits with original maturities of three months or less).

VII. Financial instruments.

Financial assets and financial liabilities should be recognized in the consolidated company when they become a party to the contractual terms of a financial instrument.

Financial assets and financial liabilities are initially recognized at fair value when they meet the criteria for classification as financial instruments. Upon initial recognition, the transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (except for financial assets and financial liabilities classified at fair value through profit or loss) are added to or deducted from the fair value of the respective financial asset or financial liability. Transaction costs directly attributable to financial assets and financial liabilities classified at fair value through profit or loss are recognized immediately as expenses.

A. Financial assets

Regular transactions of financial assets are recognized and derecognized based on the transaction date accounting.

(1). Measurement categories.

The types of financial assets held by the consolidated company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive income.

a. Financial assets measured at fair value through profit or loss.

Financial assets measured at fair value through profit or loss include those classified as either mandatorily measured at fair value through profit or loss or designated as such. Mandatorily measured at fair value through profit or loss financial assets encompass equity instrument investments that are not designated as measured at fair value through other comprehensive income, as well as debt instrument investments that do not qualify for classification as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and any resulting gains or losses from dividends, interest, or changes in fair value are recognized in profit or loss. For the determination of fair value, please refer to Note 12(3).

b. Financial assets measured at amortized cost.

If an investment in financial assets by the consolidated company simultaneously meets the following two conditions, it is classified as financial assets measured at amortized cost:

i. It is held within a particular business model where the objective is to hold the financial asset to collect contractual cash flows.

ii. The contractual terms give rise to cash flows on specific dates, and those cash flows consist entirely of payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost are initially recognized at the total carrying amount determined using the effective interest method, net of any impairment losses. Subsequently, any foreign exchange gains are recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial asset:

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

ii. For financial assets that are not initially credit-impaired but subsequently become credit-impaired, interest income is calculated by multiplying the effective interest rate by the amortized cost of the financial asset.

c. Equity instrument investments measured at fair value through other comprehensive income.

The consolidated company has an irrevocable option at initial recognition to designate certain equity instrument investments, which are not held for trading and not acquired in a business combination with a contingent consideration, as measured at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are initially measured at fair value and subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the accumulated gains or losses in other equity are directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends on equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the right to receive the dividends is established, unless the dividends represent a recovery of a portion of the investment's cost that was previously recognized in other comprehensive income.

(2). Impairment of financial assets

a. The consolidated company recognizes impairment losses on financial assets at amortized cost (including accounts receivable), debt instruments measured at fair value through other comprehensive income, lease receivables, and contract assets, based on expected credit losses at each balance sheet date.

b. Accounts receivable, contract assets, and lease receivables are all subject to impairment losses recognized for expected credit losses over their respective periods of exposure. For other financial assets, an assessment is first made to determine if there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, an allowance for expected credit losses is recognized based on a 12-month expected credit loss. If there has been a significant increase, the allowance for expected credit losses is recognized over the period of exposure.

c. Expected credit losses are determined as a weighted average of credit losses considering the likelihood of default. The 12-month expected credit loss represents the expected credit losses arising from default events that are expected to occur within 12 months after the reporting date. The lifetime expected credit loss represents the expected credit losses arising from all possible default events over the expected lifetime of the financial instrument.

d. Impairment losses for all financial assets are recognized by reducing their carrying amounts through an allowance account. However, impairment losses for debt instruments measured at fair value through other comprehensive income are recognized in other comprehensive income and do not reduce their carrying amounts.

(3). The derecognition of financial assets.

The consolidated company derecognizes financial assets when any of the following conditions are met:

a. The right to cash flows from the contractual agreement associated with the financial asset has become ineffective.

b. The contractual rights to receive cash flows from the financial asset have been transferred, and substantially all risks and rewards of ownership of the financial asset have been transferred.

c. Neither the ownership of the financial asset nor the majority of the risks and rewards associated with the financial asset have been transferred, and control over the financial asset has not been retained.

When financial assets measured at amortized cost are derecognized in their entirety, the difference between their carrying amount and the consideration received is recognized in the profit or loss. When debt instruments measured at fair value through other comprehensive income are derecognized in their entirety, the difference between their carrying amount and the consideration received, adjusted for any accumulated gains or losses recognized in other comprehensive income, is recognized in the profit or loss. When equity instruments measured at fair value through other comprehensive income are derecognized in their entirety, the accumulated gains or losses are directly transferred to retained earnings and are not reclassified as profit or loss.

B. Equity instruments

The debt and equity instruments issued by the consolidated company are classified as either financial liabilities or equity instruments based on the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments refer to any contracts that recognize the residual interest in the assets of an entity after deducting all its liabilities. The equity instruments issued by our company are recognized at the amount received, net of directly attributable issuance costs.

C. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for trading purposes and are not designated as measured at fair value through profit or loss are measured at amortized cost at the end of each subsequent accounting period.

(2) Derecognition of Financial Liabilities

The financial liabilities of the consolidated company are derecognized only when the obligation is discharged, canceled, or expired. When derecognizing financial liabilities, any difference between their carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized as a loss.

VIII. Inventory

Inventory is measured at the lower of cost and net realizable value, using the perpetual inventory system. The cost is determined using the weighted average method. The cost of finished goods and work in progress includes materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated based on normal capacity), but excludes borrowing costs.

When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the normal course of business, less the estimated costs of completion and related variable selling expenses.

IX. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is primarily recoverable through sale rather than through continued use, and when it is highly probable that the sale will occur. Held for sale non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

X. Investments/Associates accounted for using the equity method

1. An associate refers to an entity in which the reporting company has significant influence but not control. Generally, this is indicated by the direct or indirect ownership of more than 20% of the voting rights. Investments in associates by the reporting company are accounted for using the equity method. Under this method, the investment is initially recognized at cost, and subsequently adjusted to reflect the reporting company's share of the associate's profit or loss.

2. The reporting company recognizes its share of profits in the associate as current profits, while other comprehensive income attributable to the associate is recognized as other comprehensive income. If the reporting company's share of losses in an associate equals or exceeds its interest in that associate (including any other unsecured receivables), the reporting company does not recognize any further losses unless it has incurred a legal obligation, a constructive obligation, or has made payments on behalf of the associate.

3. Unrealized gains on transactions between the reporting company and its associate have been eliminated to the extent of the reporting company's interest in the associate unless evidence indicates that the transferred asset has been impaired. Similarly, unrealized losses are also eliminated unless evidence indicates impairment. The accounting policies of the associate have been adjusted as necessary to align with the policies adopted by the reporting company.

4. If the reporting company does not subscribe to or acquire additional shares issued by the associate, resulting in a change in the ownership percentage but still maintaining significant influence, the increase or decrease in equity attributable to the associate's net assets is adjusted in "Capital Surplus" and "Investments accounted for using the equity method". If the change in ownership percentage leads to a decrease, in addition to the aforementioned adjustments, any previously recognized gains or losses related to the corresponding ownership interest that were initially recognized in other comprehensive income are reclassified to gains or losses when disposing of the related assets or liabilities, and the reclassification is based on the decreased ownership percentage, reclassified to gains or losses.

5. When the reporting company disposes of an associate and loses significant influence over it, the accounting treatment for previously recognized amounts in other comprehensive income related to the associate follows the same basis as the direct disposal of the associated assets or liabilities. In other words, if gains or losses previously recognized in other comprehensive income are reclassified as gains or losses upon the disposal of the related assets or liabilities, they will be reclassified as losses when significant influence over the associate is lost. If the reporting company

still maintains significant influence over the associate, the previously recognized amounts in other comprehensive income will be transferred out proportionately based on the ownership percentage using the aforementioned approach.

XI. Property, Plant, and Equipment

1. Property, plant, and equipment are initially recorded at cost, including the capitalization of interest incurred during the construction or acquisition period.
2. Subsequent costs are only included in the carrying amount of an asset or recognized as a separate asset when it is highly probable that the future economic benefits associated with the item will flow to the reporting company, and the cost of the item can be measured reliably. The carrying amount of the replaced part should be derecognized. All other maintenance costs are recognized as expenses in the period in which they are incurred.
3. Land is not subject to depreciation. Other property, plant, and equipment are accounted for using the cost model, and depreciation is recognized using the straight-line method based on the estimated useful lives. At the end of each financial year, the reporting company reviews the residual values, useful lives, and depreciation methods for each asset. If there are significant changes in the expected values of residual value and useful lives compared to previous estimates, or if there are significant changes in the expected pattern of future economic benefits consumed by the asset, the accounting treatment follows the provisions of International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," for accounting estimate changes from the date of the change.

The estimated useful lives of the various assets are as follows:

Buildings

Main building of the factory:	2 years to 51 years
Ancillary equipment of the factory:	2 years to 12 years
Machinery equipment:	2 years to 12 years
Other equipment:	2 years to 12 years

4. Property, plant, and equipment are derecognized when they are disposed of or when it is expected that no future economic benefits will be generated from their use or disposal. The gain or loss on the derecognition of property, plant, and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and it is recognized in the current period as an expense.

XII. Leases

The reporting company evaluates on the contract inception date whether a contract is, or contains, a lease. For contracts that contain both a lease component and one or more additional lease or non-lease components, the reporting company allocates the consideration in the contract to the lease component and the non-lease component(s) based on the relative standalone prices of each lease component and the aggregated standalone prices of the non-lease component(s).

1. As a lessee, the reporting company enters into lease agreements to obtain the right to use assets.

Apart from leases of low-value assets and short-term leases, which are recognized on a straight-line basis as expenses, the reporting company recognizes the right-of-use assets and lease liabilities for all other leases on the lease commencement date.

Right-of-use assets

The right-of-use assets are initially measured at cost, which includes the lease liability's initial measurement, lease incentives received, directly attributable costs, and estimated costs of restoring the underlying asset. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses. Additionally, the lease liability is re-measured to reflect any adjustments.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the earlier of the end of the asset's useful life or the end of the lease term. However, if ownership of the underlying asset is expected to transfer at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is recognized from the lease commencement date until the end of the asset's useful life.

Lease liabilities

The lease liability is initially measured at the present value of lease payments, which includes fixed payments, variable payments based on an index or rate, and any other lease payments. If the discount rate implicit in the lease is readily determinable, it is used to discount the lease payments. However, if the discount rate is not readily determinable, the lessee uses its incremental borrowing rate, which is the rate the lessee would incur to borrow funds to purchase the leased asset with similar terms and in similar circumstances.

The lease liability is subsequently measured using the effective interest method, which amortizes the liability to its carrying amount. The interest expense is recognized over the lease term. If there are changes in the lease term, assessment of purchase options, expected payments for residual value guarantees, or changes in the index or rate used to determine lease payments that result in a change in future lease payments, the lease liability is remeasured, and the carrying amount of the right-of-use asset is adjusted accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in the income statement as a gain. The lease liability is reported as a single line item in the consolidated balance sheet.

2. The consolidated company acts as a lessor.

If the transfer of substantially all risks and rewards incidental to the ownership of the underlying asset has occurred, the lease is classified as a finance lease. Otherwise, it is classified as an operating lease.

Under finance leases, lease payments include fixed payments, substantially fixed payments, payments based on an index or rate, guaranteed residual value, exercise price of reasonably certain purchase options exercised during the lease term, and lease termination penalties reflected in the lease term. The net investment in leases is calculated as the sum of the present value of lease payments and unguaranteed residual value and is expressed as the net investment in finance leases. The company allocates finance income systematically and on a rational basis over the lease term to reflect a constant periodic rate of return on the net investment in finance leases that the company is expected to obtain.

Under operating leases, lease payments, net of lease incentives, are recognized as lease revenue on a straight-line basis over the lease term. The initial direct costs incurred to obtain an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the recognition of lease revenue.

XIII. Investment properties

Investment properties are properties, including those under construction, held for the purpose of earning rental income, capital appreciation, or both. They also include land held for future use, even if the specific use has not yet been determined.

Investment properties are initially measured at cost, including transaction costs. Subsequently, they are measured at cost less accumulated depreciation and accumulated impairment losses. The straight-line method is used by the consolidated company to recognize depreciation.

Construction in progress of investment properties is recognized at cost less accumulated impairment losses. The cost includes professional service fees and borrowing costs that meet the capitalization criteria. Depreciation is commenced when the asset reaches its expected useful state.
The profit or loss from the derecognition of investment properties is the difference between the net disposal proceeds and the carrying amount of the asset, and it is recognized in the current profit or loss.

XIV. Non-financial asset impairment

For assets that show indications of impairment, the consolidating company estimates their recoverable amount on the balance sheet date. When the recoverable amount is lower than the carrying value of the asset, an impairment loss is recognized. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use. If there is no impairment recognized in previous years, a reversal of impairment loss is allowed up to the amount of the previously recognized loss.

XV. Provisions for Liabilities

A provision for liabilities is recognized when an entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of the provision for liabilities is based on the best estimate of the present value of the outflows required to settle the obligation as of the balance sheet date, using a discount rate that reflects the current market assessment of the time value of money and the specific risks associated with the liability. The amortization of the discount is recognized as interest expense. Future operating losses may not be recognized as provisions for liabilities.

XVI. Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured based on the undiscounted amount expected to be paid in non-discounted monetary terms. These benefits are recognized as an expense in the period in which the related services are provided by the employees.

2. Retirement

(1) Defined contribution plan

For a defined contribution plan, the employer recognizes the retirement benefit expense for the current period based on the incurred obligations. The amount to be contributed to the retirement fund is recognized as the current period's retirement benefit cost.

Any prepaid contributions are recognized as assets within the scope of being refundable in cash or reducing future benefits.

(2) Defined benefit plan

A. Under a defined benefit plan, the net obligation is determined by discounting the future benefit payments earned by employees for their current or past service. It is calculated by subtracting the fair value of plan assets from the present value of the defined benefit obligation as of the balance sheet date. The net defined benefit liability is calculated annually using the projected unit credit method by an actuary. The discount rate used is determined by referencing the market yield on high-quality corporate bonds that have a currency and term consistent with the plan as of the balance sheet date. In countries where there is no deep market for high-quality corporate bonds, the market yield on government bonds is used.

B. The actuarial gains or losses arising from the remeasurement of the defined benefit plan are recognized in other comprehensive income in the period in which they occur. They are subsequently presented in retained earnings

C. The expenses related to prior service costs are recognized immediately as an expense.

3. Employee and Director /Supervisor Remuneration

Employee and director/supervisor remuneration is recognized as an expense and liability when there is a legal or constructive obligation and the amount can be reasonably estimated. If there are differences between the actual amount distributed and the estimated amount, they are accounted for as accounting estimate changes.

4. Severance benefits

Severance benefits are provided to employees upon termination of their employment prior to the normal retirement date or when an employee accepts a voluntary offer from the company in exchange for terminating their employment. The recognition of severance benefits by the consolidating company occurs when the offer for severance benefits becomes irrevocable or when the related restructuring costs are recognized, whichever is earlier. Unanticipated severance benefits payable beyond 12 months from the balance sheet date should be discounted to their present value.

XVII. Equity

Common stock is classified as equity as it represents the ownership interest in a company and grants certain rights and benefits to shareholders. On the other hand, the classification of preferred stock depends on the substance of the contractual agreement and the characteristics of the financial liability and equity instruments associated with it. If the preferred stock exhibits the fundamental characteristics of a financial liability, it is classified as a liability. Otherwise, it is classified as equity. When new shares are issued or stock options are exercised, the incremental cost directly attributable to the issuance is deducted from equity as a reduction in proceeds.

XVIII. Income tax

1. Income tax expense includes current and deferred income taxes. Except for income tax related to items recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.

2. Current income tax is calculated based on taxable income generated by the consolidated company using enacted or substantively enacted tax rates as of the balance sheet date. Management assesses the status of income tax filings in accordance with applicable income tax regulations and, when applicable, estimates income tax liabilities based on anticipated tax payments to tax authorities. Additional income tax on undistributed earnings, calculated according to the income tax regulations in our country, is recognized as income tax expense in the subsequent year of the year in which the earnings are generated, after the distribution of actual earnings is approved by the shareholders' meeting.

3. Deferred income tax is recognized using the balance sheet method, based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If the deferred income tax arises from transactions (excluding business combinations) involving the initial recognition of assets or liabilities and did not affect accounting profit or taxable income (tax loss) at the time of the transaction, it is not recognized. Temporary differences arising from investments in subsidiaries for which the consolidated company has control over the timing of their reversal are recognized, while temporary differences that are unlikely to reverse in the foreseeable future are not recognized. The deferred income tax is measured using enacted or substantively enacted tax rates (and tax laws) expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled, based on the balance sheet date.

4. Deferred income tax assets are recognized for temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that taxable profit will be available against which they can be utilized in the future. They are reassessed at each balance sheet date, both for unrecognized and recognized deferred income tax assets.

5. When there is a legally enforceable right to offset the recognized current income tax assets against the recognized current income tax liabilities, and there is an intention to settle the net amount on a net basis or simultaneously realize the assets and settle the liabilities, the current income tax assets and current income tax liabilities are offset. Similarly, when there is a legally enforceable right to offset the current income tax assets against the current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same tax authority on the same taxable entity, or by different taxable entities but each entity intends to settle the net amount on a net basis or simultaneously realize the assets and settle the liabilities, the deferred income tax assets and liabilities are offset.

6. Tax incentives arising from the acquisition of equipment or technology, research and development expenses, personnel training expenses, and equity investments are accounted for using income tax credits.

XIX. Revenue recognition

The principles for revenue recognition in consolidated financial statements, based on customer contracts, are as follows:

1. Identification of the customer contract

2. Identification of the contractual obligations

3. Determination of the transaction price

4. Allocation of the transaction price to the performance obligations in the contract

5. Recognition of revenue when the performance obligations are satisfied

In the case of contracts where the transfer of goods or services and the receipt of consideration occur within a period of 1 year, significant financial components are not adjusted in the transaction price.

1. Sales Revenue from Goods

Sales revenue from goods refers to the revenue generated from the sale of merchandise or related products. Sales revenue is recognized when control of the goods is transferred to the customer. This is typically when the customer has determined the price, has the right to use the goods, assumes the primary responsibility for resale, and bears the risk of obsolescence. The company recognizes revenue and accounts receivable at that point in time. Any sales returns, quantity discounts, and allowances are deducted to present the net amount.

When goods are sent for processing, control over the processed products is not transferred, and therefore no revenue is recognized at the time of sending the goods for processing.

2. Dividend Income and Interest Income

(1) Dividend income generated from investments is recognized when the right to receive payment is established for the shareholders. However, this recognition is subject to the condition that there is a high probability of economic benefits associated with the transaction flowing to the consolidating company, and the amount of income can be reliably measured.

(2) Interest income is recognized on an accrual basis over time, based on the passage of time and the applicable effective interest rate on the outstanding principal amount.

XX. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until the asset is substantially ready for its intended use or sale, and all or almost all of the necessary activities have been completed.

Investment income earned from temporarily investing specific borrowings prior to the commencement of qualifying capital expenditures is deducted from the borrowing costs eligible for capitalization.

Apart from the aforementioned, all other borrowing costs are recognized as expenses in the period they are incurred.

5. ***The major sources of significant accounting judgments, estimates, and assumptions uncertainty***

When the consolidated company adopts the accounting policies described in Note 4, relevant judgments, estimates, and assumptions are made regarding the carrying amounts of assets and liabilities that are not readily available from other sources. The estimates and related assumptions are based on historical experience and other factors deemed relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually reviewed. If a revision to an estimate affects only the current period, it is recognized in the period of the revision. If the revision affects both the current and future periods, it is recognized in the period of the revision and in future periods.

The following information pertains to the main assumptions about the future and other key sources of estimation uncertainty as of the end of the financial reporting period. These assumptions and estimates have a risk of causing a significant adjustment to the carrying amounts of assets and liabilities in the next financial year.

A. Significant judgments in accounting policy adoption:

1. Determination of operating model for classification of financial assets

The consolidated company determines the operating model for the classification of financial assets based on the level at which they are jointly managed to achieve specific business objectives. This assessment considers all relevant evidence, including the measurement of asset performance, the risks that affect performance, and the determination of compensation for related management personnel. Judgment is applied in this assessment.

The consolidated company continuously evaluates the appropriateness of its operating model determination. As part of this evaluation, it monitors financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income, which are classified as held-to-maturity and available-for-sale, respectively, until their respective maturity dates. The company assesses any disposals in light of the objectives of the operating model to determine whether they are consistent with those objectives.

If a change in the operating model is identified, the consolidated company reclassifies financial assets in accordance with the requirements of IFRS 9 and applies the new classification from the date of reclassification.

2. Revenue recognition.

The consolidated company determines, in accordance with IFRS 15, whether control of specific goods or services has been obtained or not before transferring them to the customer. If the company is determined to be the principal in the transaction, it recognizes revenue based on the gross amount of the transaction. However, if the company is deemed to be an agent in the transaction, it recognizes revenue based on the net amount of the transaction. This determination is made by assessing the control criteria specified in IFRS 15 and identifying whether the company acts as the principal or the agent in the transaction.

If any of the following circumstances exist, the consolidated company is considered the principal:

(1) Prior to transferring goods or other assets to customers, the merged company obtains control of the goods or assets from another party.

(2) The merged company gains control of the rights provided by another party to have the ability to dominate the provision of services to customers on behalf of the merged company.

(3) The merged company obtains control over goods or services from another party in order to combine them with other goods or services and provide specific products or services to customers.

To assist in determining whether the merged company has control over specific goods or services before transferring them to customers, indicators (but not limited to) include:

(1) The merged company bears primary responsibility for fulfilling the obligation to provide specific goods or services.

(2) The merged company assumes inventory risk both before and after transferring specific goods or services to customers.

(3) The merged company has discretion to determine pricing.

B. Significant accounting estimates and assumptions.

1. Revenue recognition

Revenue from the sale of goods is recognized when control of the goods is transferred to the customer, and the company has fulfilled its contractual obligations. It is recognized net of estimated sales returns, discounts, and similar allowances. The estimation of sales returns and allowances is based on historical experience and other known factors, and the merged company periodically reviews the reasonableness of these estimates.

2. **Estimation of impairment for financial assets.**

The estimation of impairment for accounts receivable is based on assumptions made by the merged company regarding default rates and expected loss rates. The company considers historical experience, current market conditions, and forward-looking information to form these assumptions and select input values for impairment assessment. If actual cash flows in the future are lower than expected, it may result in significant impairment losses.

3. **Fair value measurement and valuation process.**

When assets and liabilities are measured at fair value and there are no active market quotations available, the merged company determines whether to outsource the valuation and selects appropriate fair value measurement techniques in accordance with relevant regulations or judgment. If it is not possible to obtain Level 1 inputs for estimating fair value, the merged company may rely on information such as financial analysis of the investee's financial condition and operating results, recent transaction prices, quotations of similar instruments in inactive markets, quotations of similar instruments in active markets, and valuation multiples of comparable companies to determine the inputs. If the actual changes in inputs differ from the expected changes in the future, it may result in changes in fair value. The merged company periodically updates the inputs based on market conditions to monitor the appropriateness of fair value measurements.

4. **Assessment of impairment for tangible and intangible assets.**

During the assessment of impairment, the merged company relies on subjective judgment and considers the asset's usage pattern and industry characteristics to determine the projected future cash flows, asset useful life, and potential revenues and expenses associated with specific asset groups. Any changes in estimates resulting from changes in economic conditions or group strategies may potentially lead to significant impairments in the future.

5. **Assessment of impairment for investments accounted for using the equity method.**

When there are indications of impairment that suggest an equity-method investment may have a carrying amount that is not recoverable, the merged company promptly assesses the impairment of that investment. The assessment is based on the discounted value of expected future cash flows from the investee or the discounted value of expected cash dividends and the proceeds from the disposal of the investment, to evaluate the recoverable amount. The company analyzes the reasonableness of the related assumptions in this evaluation.

6. Realizability of deferred income tax assets.

The deferred income tax assets are recognized only when it is probable that there will be sufficient taxable income available in the future against which the temporary differences can be utilized. Assessing the realizability of deferred income tax assets involves significant accounting judgments and estimates by management, including assumptions regarding anticipated future sales revenue growth and profit margins, tax-exempt periods, available tax offsets, tax planning, and other factors. Any changes in the global economic environment, industry conditions, or tax laws may result in significant adjustments to deferred income tax assets.

7. Valuation of inventory

Since inventory is valued at the lower of cost or net realizable value, the consolidated company must exercise judgment and make estimates to determine the net realizable value of inventory as of the balance sheet date. The consolidated company evaluates the net realizable value of inventory on the balance sheet date by considering normal wear and tear, obsolescence, or lack of market selling value, and reduces the inventory cost to the net realizable value.

8. Calculation of net defined benefit liability

When calculating the present value of defined benefit obligations, the consolidated company must exercise judgment and make estimates to determine the relevant actuarial assumptions as of the balance sheet date. These assumptions may include discount rates and future salary increase rates. Any changes in these actuarial assumptions can have a significant impact on the amount of the consolidated company's defined benefit obligations.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31,2023	December 31,2022
Cash on hand	$ 174	$ 161
Checking accounts	14	26
Demand deposits	59,752	8,645
Foreign currency deposit	1,765	26
Total	$ 61,705	$ 8,858

A. The financial institutions involved in the merger have a good credit quality, and the merged company has diversified its credit risk by working with multiple financial institutions, resulting in a very low likelihood of default.

B. The merged company has not provided any cash or cash equivalents as collateral for pledge.

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

	December 31,2023	December 31,2022
Listed (OTC) company stocks	$ 742	$ 742
Mutual fund units	500	500
	1,242	1,242
Rating adjustment	(722)	(713)
Total	$ 520	$ 529

A. The merged company has not pledged financial assets measured at fair value through profit or loss.

B. For relevant credit risk management and assessment methods, please refer to Note 12(2).

(3) Net accounts receivable

project	December 31,2023	December 31,2022
Notes receivable:		
Carrying amount	$ 3,154	$ 2,205
Less: Loss allowance	(326)	(235)
Net Notes receivable	$ 2,828	$ 1,970

project		December 31,2023		December 31,2022
Accounts receivable:				
Carrying amount	$	47,048	$	6,961
Less: Loss allowance		(2,731)		(2,699)
Net Accounts receivable	$	44,317	$	4,262
Overdue receivables:				
Carrying amount	$	123,375	$	126,360
Less: Loss allowance		(123,375)		(126,360)
Net overdue receivable	$	—	$	—

A. Accounts receivable of the consolidated company that are neither overdue nor impaired comply with the credit standards set based on the industry characteristics, business scale, and profitability of the counterparties. The average credit period is 3-4 months.

B. The consolidated company does not have any instances of pledging the accounts receivable as collateral.

C. The consolidated company uses a simplified approach to recognize the allowance for expected credit losses on accounts receivable based on the expected credit losses over the remaining period of their existence. The expected credit losses over the remaining period are calculated using a provision matrix, which takes into account factors such as the customer's past default history, current financial condition, industry economic trends, and other relevant forward-looking information. Based on the credit loss history of the consolidated company, there is no significant difference in the loss patterns among different customer groups. Therefore, the provision matrix does not further differentiate customer groups, and the expected credit loss rates are determined based on the number of days past due for the accounts receivable.

D. The aging and allowance for accounts receivable (including notes receivable and other receivables) of the consolidated company are as follows:

December 31,2023	Expected credit loss rate	Carrying amount	Loss allowance (lifetime expected credit losses)	Amortized cost
Within 90 days	0%~50%	$ 48,170	$ (2,796)	$ 45,374
91 to 180 days	1%~50%	1,551	(180)	1,371
181 to 270 days	15%~50%	—	—	—
271 to 365 days	50%~100%	481	(81)	400
Over 1 year	100%	123,375	(123,375)	—
Total		$ 173,577	$ (126,432)	$ 47,145

December 31,2022	Expected credit loss rate	Carrying amount	Loss allowance (lifetime expected credit losses)	Amortized cost
Within 90 days	0%~50%	$ 8,124	$ (2,371)	$ 5,753
91 to 180 days	1%~50%	826	(378)	448
181 to 270 days	15%~50%	—	—	—
271 to 365 days	50%~100%	52	(21)	31
Over 1 year	100%	126,524	(126,524)	—
Total		$ 135,526	$ (129,294)	$ 6,232

E. Change information of accounts receivable and loss allowance：

Project		2023		2022
Opening balance	$	129,294	$	137,316
add: provision for impairment loss		—		356
less:unable to recover write-off		(1,450)		—
less: reversal for impairment loss		(1,412)		(8,562)
Addition of consolidated entity transferred-in amount		—		418
Ending balance	$	126,432	$	129,294

If there is evidence indicating that the counterparty is facing severe financial difficulties and it is not reasonable to expect the recovery of the outstanding amount, the consolidated company directly offsets the related accounts receivable. However, the consolidated company continues its collection efforts, and any amounts recovered from the collection activities are recognized as gains. For details on credit risk management and evaluation methods, please refer to Note 12 of the financial statements.

(4) Inventory and Cost of Goods Sold

Project		December 31,2023		December 31,2022
Raw materials	$	23,194	$	27,678
Materials		1,508		1,464
Semi-manufactures		564		850
Manufactures		1,073		949
Commodity		13,186		1,001

Subtotal	39,525	31,942
Less: allowance for inventory write-down	(26,611)	(30,455)
Net inventories	$ 12,914	$ 1,487

A. The inventory-related gains (losses) recognized as cost of goods sold for the current period are as follows:

Project	2023	2022
Feed business costs		
Cost of goods sold	$ 57,597	$ 37,111
Inventory impairment and obsolescence losses (reversal of impairment)	(3,844)	(546)
Inventory shrinkage	1,008	1,525
Subtotal	54,761	38,090
Professional investment business costs		
Gains (losses) on financial assets measured at fair value through profit or loss	—	—
Total	$ 54,761	$ 38,090

B. The consolidated company does not have any instances of pledging inventory as collateral.

C. The cost of professional investment business represents the investment business costs incurred by the subsidiary companies consolidated

(5) **Financial assets measured at fair value through other comprehensive income.**

Project	December 31,2023	December 31,2022
Current:		
Domestic listed and over-the-counter stocks	$ 568,372	$ 242,905
Fair value adjustment.	88,370	14,060
	656,742	256,965
Non-current:		
Unlisted foreign stocks.	1,577	1,577
Domestic unlisted stocks.	8,510	8,225
	10,087	9,802
Fair value adjustment.	3,123	3,123
	13,210	12,925
Total	$ 669,952	$ 269,890

A. The parent company makes investments in listed and unlisted companies, both domestically and internationally, as part of its medium to long-term strategic objectives, with the expectation of earning long-term returns. However, the management of the parent company believes that recognizing short-term fair value fluctuations of these investments in profit and loss would be inconsistent with the long-term investment plan mentioned earlier. Therefore, the parent company chooses to designate these investments as measured at fair value through other comprehensive income.

B. For information on credit risk management and assessment methods, please refer to the explanation provided in Note 12(2).

C. For information regarding financial assets measured at fair value through other comprehensive income provided as collateral, please refer to the explanation provided in Note 8.

(6) Investments accounted for using the equity method.

Investment company	December 31,2023	December 31,2022
Significant affiliated companies:		
ANDA INVESTMENT CO.,LTD	$ 309,272	$ 281,355
GENESIS TECHNOLOGY INC	1,158,359	969,189
FORMOSA OILSEED PROCESSING CO,LTD	1,778,365	1,776,463
	$ 3,245,996	$ 3,027,007

A. Affiliated Companies:

(1) Basic information of significant affiliated companies of the merged company is as follows:

	Shareholding Ratio	
Company	December 31,2023	December 31,2022
ANDA INVESTMENT CO.,LTD	47.79%	47.79%
GENESIS TECHNOLOGY INC.	33.63%	32.36%
FORMOSA OILSEED PROCESSING CO,LTD	26.67%	25.99%

Please refer to Note 4 for information on the business nature, primary business location, and country of registration of the aforementioned affiliated companies.

(2) The summarized financial information of significant affiliated companies of the merged company is as follows:

	December 31,2023	December 31,2022
Total Assets	$ 13,071,984	$ 12,791,519
Total Liabilities	6,384,038	6,604,866
Net Assets	$ $6,687,946	$ $6,186,653

	2023	2022
Operating Revenue	$ 15,302,488	$ 15,883,786
Net Income	$ $710,960	$ 788,075
Equity Method-Recognized Affiliates Share of Profits or Losses of the Company	$ $216,266	$ 135,962

(3) The investment in affiliated companies and the Company's share of their profits and other comprehensive income are determined based on the equity method, using the financial statements of the investee company that have been audited by certified public accountants during the same period.

(4) The Company's investment in GENESIS TECHNOLOGY INC., which is publicly traded, had fair values of NT$2,185,102 thousand and NT$1,378,324 thousand as of December 31, 2023 and December 31, 2022, respectively.

(5) The Company's investment in FORMOSA OILSEED PROCESSING CO,LTD., which is publicly traded, had a fair value of NT$,3,350,760 thousand and NT$3,281,160 thousand as of December 31, 2023 and December 31, 2022, respectively.

(6) The consolidated company conducted an impairment assessment for FORMOSA OILSEED PROCESSING CO,LTD., on December 31, 2023, and recognized an impairment loss of NT$ 102,267 thousand.

B. For information on investments provided with guarantees by the consolidated company under the equity method, please refer to the explanation provided in Note 8.

(7) **Real Estate, Plant, and Equipment**

	Land	Buildings	Equipment	Other Equipment (Note)	Construction in Progress and Equipment under Inspection	Total

Cost						
At January 1,2023	$162,099	$66,357	$201,996	$17,829	$ —	$448,281
Additions	—	—	209	212	—	421
Disposals	—	—	—	—	—	—
Acquisition by Merger	—	—	—	1,223	—	1,223
At December 31,2023	$162,099	$66,357	$202,205	$19,264	$ —	$449,925
Accumulated Depreciation						
At January 1,2023	$ —	$65,231	$196,860	$14,047	$ —	$276,138
Depreciation	—	208	98	642	—	948
Disposal	—	—	—	—	—	—
Acquisition by Merger	—	—	—	1,171	—	1,171
At December 31,2023	$ —	$65,439	$196,958	$15,860	$ —	$278,257

	Land	Buildings	Equipment	Other Equipment (Note)	Construction in Progress and Equipment under Inspection	Total
Cost						
At January 1,2022	$162,099	$66,357	$201,806	$16,213	$ —	$446,475
Additions	—	—	—	2,152	—	2,152
Disposals	—	—	—	(536)	—	(536)
Reclassifications	—	—	190	—	—	190
At December 31,2022	$162,099	$66,357	$201,996	$17,829	$ —	$448,281
Accumulated Depreciation						
At January 1,2022	$ —	$64,990	$196,792	$14,229	$ —	$276,011
Depreciation	—	241	55	340	—	636

Disposals	—	—	—	(522)	—	(522)
Reclassifications	—	—	13	—	—	13
At December 31,2022	$ —	$65, 231	$196, 860	$14, 047	$ —	$276, 138

(Note) Including transportation equipment and other equipment.

1. Capitalized amount of borrowing costs for real estate, plants, and equipment: None.
2. Impairment of real estate, plants, and equipment: None.
3. For information on real estate, plants, and equipment provided as collateral, please refer to Note 8 for details.

(8) **Lease Agreements**

1. Right-of-Use Assets

Cost	Buildings and Structures	Transportation Equipment	Total
At January 1,2023	--	--	--
Addition	--	--	--
Disposals	--	--	--
Reclassifications	598	--	598
	$598	--	$598

Accumulated Depreciation and Impairment	Buildings and Structures	Transportation Equipment	Total
At January 1,2023	--	--	--
Addition	50	—	50
Disposals	--	--	--
Reclassifications	75	--	75
	$125	--	$125

2. Lease Liabilities

Cost	December 31,2023	December 31,2022
Carrying Amount of Lease Liabilities		
Current	298	--
Non-Current	$177	--

The Discount Rate Range for Lease Liabilities is as follows:

Item	December 31,2023	December 31,2022
Buildings and Structures	0.12%-0.20%	--

3. Other Lease Information

	December 31,2023	December 31,2022
Total Cash Outflow for Leases	$51	--

(9) Investment Properties

	Land	Buildings and Equipment	Total
Cost			
At January 1,2023	$54,986	$4,796	$59,782
Additions	512	—	512
At December 31,2023	$55,498	$4,796	$60,294
Accumulated Depreciation and Impairment			
At January 1,2023	$ —	$3,956	$3,956
Depreciation	—	160	160
At December 31,2023	$ —	$4,116	$4,116

	Land	Buildings and Equipment	Total
Cost			
At January 1,2022	$54, 986	$4, 796	$59, 782
Additions	--	—	--
At December 31,2022	$54, 986	$4, 796	$59, 782
Accumulated Depreciation and Impairment			
At January 1,2022	$ —	$3, 725	$3, 725
Depreciation	—	231	231
At December 31,2022	$ —	$3, 956	$3, 956

4.Rental Income and Direct Operating Expenses of Investment Properties:

Item	2023	2022
Rental Income from Investment Properties	$112	$34
Direct Operating Expenses incurred by Investment Properties generating rental income in the current period	$48	$59
Direct Operating Expenses incurred by Investment Properties not generating rental income in the current period	$111	$158

5. The investment properties of the merged company are located in areas where transactions are infrequent and reliable estimates of alternative fair values cannot be obtained, thus making it unreliable to determine fair value.

6. The merged company has not pledged the investment properties as collateral.

(10) Short-term Loans

Item	December 31,2023	December 31,2022
Collateralized Loans	$609,169	$398,553
Mortgage Loans	210,040	239,380
Total	$819,209	$637,933
Interest Rate Range	2.87%～4.00%	2.63%～4.00%

For information on the collateral for short-term borrowings, please refer to Notes 7 and 8 for details

(11) Short-term Commercial Paper Payable

Item	December 31,2023	December 31,2022
Commercial Paper Payable	$30,000	$30,000
Less: Unamortized Discount	(25)	(19)
Net Amount	$29,975	$29,981
Interest Rate Range	2.83%	2.67%

For information on the collateral for short-term commercial paper payable, please refer to Note 8 for details.

(12) Long-term loans

Item	December 31,2023	Interest Rate Range	Maturity Date
Collateralized Loans	$35,240	2.50%	113.02～113.10
Mortgage Loans	371,000	2.22%	115.05
	406,240		
Less: Current portion of long-term loans payable	(47,240)		
Long-term debt payable	$359,000		

Item	December 31,2022	Interest Rate Range	Maturity Date
Collateralized Loans	$35,240	2.5%	112.04～113.03
Mortgage Loans	383,000	1.98%	115.05
	418,240		
Less: Current portion of long-term loans payable	(27,000)		
Long-term debt payable	$391,240		

For collateral for long-term bank borrowings, please refer to Note 8.

(13) Pension Liabilities

1. Defined Contribution Plan

(1) The pension system applicable to the merged company is a defined contribution pension plan under the "Labor Retirement Pension Act," which is a government-managed plan. Employees contribute 6% of their monthly salary towards their retirement pension to individual accounts at the Labor Insurance Bureau.

(2) In 2023 and 2022, the merged company recognized expenses totaling NT$554 thousand and NT$351 thousand respectively, in accordance with the specified contribution rates in the defined contribution plan as stated in the comprehensive income statement.

2. Defined Benefit Plan

(1) The pension system applicable to the merged company is a defined benefit retirement plan under the "Labor Standards Act" of Taiwan, which is a government-managed plan. The payment of employee retirement benefits is calculated based on years of service and the average salary for the six months prior to the approved retirement date. The company contributes 15% of the total monthly salary of employees towards the employee retirement fund, which is deposited into a designated account at a Taiwan bank in the name of the Labor Pension Reserve Supervisory Commission. Before the end of each fiscal year, if it is estimated that the balance in the account is insufficient to cover the estimated retirement benefits for eligible employees in the following year, the shortfall will be fully allocated by the end of March of the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor, and the merged company has no authority over the investment management strategy.

(2) The merged company recognizes the obligation arising from the defined benefit plan as follows in the balance sheet:

Item	December 31,2023	December 31,2022
Present value of defined benefit obligation	$ —	$ —
Fair value of plan assets	(115)	(115)
Net defined benefit liability (asset)	$ (115)	$ (115)

(3) There was no increase or decrease in net defined benefit liabilities (assets) in 2023 and 2022.

(4) Due to the settlement of employee old-system pension in the fiscal year 2020, the company has already cleared the retirement fund and generated a settlement gain of NT$67 thousand. Therefore, no pension contributions are expected to be allocated to the retirement plan in the fiscal years 2023 and 2022.

(14) Common Stock Capital

1. The adjustments for the number and value of common shares outstanding at the beginning and end of the period are as follows:

	2023		2022	
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
January 1	133, 629	$1, 336, 293	104, 398	$1, 043, 978
Capitalization of retained earnings	16, 036	160, 355	29,231	292,315
December 31	149, 665	$1, 496, 648	133, 629	$1, 336, 293

2. Capital Surplus

Item	December 31,2023	December 31,2022
Stock Issuance Premium	$26,793	$26,793
Changes in Equity of Associated Companies and Joint Ventures under Equity Method	159,096	157,232
Treasury Stock Transactions	94,986	24,266
Others	69	69
Total	$208,944	$208,360

According to the Company Law, the surplus from issuing shares above their par value and the capital surplus from receiving donations can be used to offset losses or be distributed to shareholders in the form of new shares or cash, proportionate to their existing shareholdings, provided that the company does not have accumulated losses. Additionally, according to relevant provisions of the Securities and Exchange Act, the total amount allocated from the capital surplus to the capital should not exceed 10% of the paid-in capital in any given year. The capital surplus cannot be used to compensate for capital deficits if the retained earnings are insufficient. Capital surplus generated from investments accounted for under the equity method cannot be used for any purpose.

3. Retained Earnings and Dividend Policy

In the annual financial statements of the company, if there is a profit, the company should first pay taxes and offset any accumulated losses. Next, 10% of the profit should be allocated to the statutory reserve until it reaches the amount equal to the company's paid-in capital. Additionally, the company may allocate or reverse special reserves based on operational needs and legal requirements. If there is still a remaining balance after these allocations, along with the undistributed profit from the beginning of the period, the Board of Directors will propose a profit distribution plan to be approved by the shareholders' meeting.

The dividend policy of the company is determined in accordance with current and future development plans, considering the investment environment, capital requirements, and shareholder interests. However, when the accumulated distributable earnings are lower than 5% of the paid-in capital, the company may choose not to distribute dividends. When distributing dividends to shareholders, it can be done in the form of cash or stock.

(1) Statutory surplus reserve

The statutory reserve can only be used to offset company losses or be allocated to issue new shares or as cash dividends to shareholders based on their existing shareholding proportions. It cannot be used for other purposes. If the reserve is used for issuing new shares or cash dividends, it is limited to the portion exceeding 25% of the paid-in capital.

(2) Special Reserves

In accordance with relevant laws and regulations, the company should allocate a special reserve equivalent to the amount recorded as a deduction from shareholders' equity for the current year before distributing earnings. Earnings cannot be distributed until the amount of the deduction from shareholders' equity is reversed, at which point the reversed portion can be distributed.

The company allocates and reverses the special reserve in accordance with Order No. 1090150022 issued by the Financial Supervisory Commission and the "Questions and Answers on the Application of Special Reserve Allocation after Adopting International Financial Reporting Standards (IFRSs)."

(3) Earnings distribution

The company has approved the distribution of earnings for the fiscal year 2022 and 2021 at the shareholders' meetings held on June 20, 2023 and June 16, 2022, respectively. The dividends per share for each distribution are as follows:

	Dividend Distribution		Dividends per Share (NTD)	
Item	2022	2021	2022	2021
Legal Reserves	$33,579	$44,086		
Cash Dividends (Common Shares)	133,629	104,397	1	1
Stock Dividends (Common Shares)	160,355	292,215	1.2	2.8
Total	$327,563	$440,798		

(4) Regarding the proposed distribution of earnings by the Board of Directors and the resolutions made by the shareholders' meeting, please refer to the "Public Information Observation System" of the Taiwan Stock Exchange for details.

4. Other Equity Items

Item	Foreign Currency Translation Differences	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Equity Related to Assets Held for Sale	Total
At January 1,2023	$3, 032	(68, 323)	--	(65, 291)
Financial Assets at Fair Value through Other Comprehensive Income				
- Unrealized (Loss) Gain	--	202, 252	--	202, 252
-Unrealized (Loss) Gain Reclassified to Retained	—	(34, 321)	—	(34, 321)
Use the equity method to recognize financial assets of related enterprises and joint ventures measured at fair value through other comprehensive gains and losses.Method				
-Unrealized (Loss) Gain	--	27, 585	--	27, 585
-Unrealized (Loss) Gain Reclassified to Retained	—	(14, 098)	—	(14, 098)
-Exchange differences in the translation of financial statements of foreign operating institutions	(2,877)	--	--	(2,877)
At December 31,2023	$155	$113,095	$ —	$ 113,250

Item	Foreign Currency Translation Differences	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Equity Related to Assets Held for Sale	Total
At January 1,2022	$455	$1, 550, 178	$ (10, 185)	$1, 540, 448
Financial Assets at Fair Value through Other Comprehensive Income				
- Unrealized (Loss) Gain	—	(822, 662)	—	(822, 662)
-Unrealized (Loss) Gain Reclassified to Retained	—	(143, 249)	—	(143, 249)
Use the equity method to recognize financial assets of related enterprises and joint ventures measured at fair value through other comprehensive gains and losses.Method	2, 577	(642, 405)	—	(639, 828)
Non-current assets for sale directly related to	—	(10, 185)	10, 185	—
Equity transfer to Assets Held for Sale				
At December 31,2022	$3, 032	$ (68, 323)	$ —	$ (65, 291)

5. Non-controlling Interests

	2023	2022
Beginning Balance	$ 101, 086	$ —
Attributable to Non-controlling Interests:		
Net Income for the Year	(10, 185)	26, 438
Foreign Currency Translation Adjustment of Foreign Operations	(346)	202
Unrealized (Loss) Gain on Financial Assets Measured at Fair Value through Other Comprehensive Income	70, 877	134, 784

Remeasurement of Defined Benefit Plans	60	70
The subsidiary's purchase of the parent company's stock is deemed to be a treasury stock transaction	(6,869)	--
Changes in Equity of Subsidiaries	33,192	(90,884)
Disposal of Equity Instruments Measured at Fair Value through Other Comprehensive Income	5,671	327
Increase (Decrease) in Non-controlling Interests	226	30,149
Ending Balance	$193,712	$101,086

(15) Treasury Stock

1. The changes in the subsidiary's holdings of the company's own stock are as follows:

2023:

Unit: Thousand shares

Item	Beginning Quantity	Increase (Decrease)	Ending Quantity
Subsidiary's Holdings of Parent Company Stock	100,766	12,461	113,227

2022:

Unit: Thousand shares

Item	Beginning Quantity	Increase (Decrease)	Ending Quantity
Subsidiary's Holdings of Parent Company Stock	3,409	97,357	100,766

2. The market price per share of the company's stock held by subsidiaries as of December 31, 2023and December 31, 2022, was NT $78.3 dollars and NT $68.9 dollars, respectively. The company treats the shares held by subsidiaries as treasury stock and retains the right to receive dividends.

3. The situation of each subsidiary holding shares of the Company, please refer to Schedule 2and Schedule 4.

(16) Business Merger

2023

1. Acquisition of Subsidiary

Name	Primary Business	Acquisition Date	Ownership Stake/Voting Rights
TAI YU NETWORK & COMMUNICATION INC.	Online communication product buying and selling	November, 2023	60%

2. transfer consideration

transfer consideration	TAI YU NETWORK & COMMUNICATION INC
Cash paid	$46,050
The consideration has not been paid (other payables are recorded)	--
	$46,050

3. Assets and Liabilities Acquired on the Acquisition Date:

The fair values of identifiable assets acquired and liabilities assumed on the acquisition date are as follows:

	The day when control was gained
Cash and cash equivalents	$103,174
Notes receivable	2
Accounts receivable	32,078
Inventory	14,456
prepayments	3,824
Other assets-other	211
Property and equipment	52
Right-of-use assets	152
Refundable deposits	15,529
Other non-current assets－ Others	521
Commercial papers payable	(149)
Notes payable	(375)
Others notes payable	(3,627)
Accounts payable	(16,400)
Other payables	(5,980)
Contract liabilities	(7,696)
Lease liabilities	(152)
Long-term liabilities due within one year or one operating cycle	(20,000)
Other current liabilities - other	(32,012)
Guaranteed Notes Payable	(628)
The carrying amount of the company's net assets on the date when control is obtained	$82,980

4. Goodwill Arising from the Acquisition

	TAI YU NETWORK & COMMUNICATION INC
Consideration Transferred	$46,050
non-controlling interest	33,192
Less: Fair Value of Net Identifiable Assets Acquired	(82,980)
Bargain purchase benefits arising from acquisitions	$(3,738)

5. Net Cash Flow from Acquiring Subsidiary

	TAI YU NETWORK & COMMUNICATION INC
Cash and Cash Equivalents Acquired(November 2023)	$103,174
Less: Cash Consideration Paid	(46,050)
	$57,124

6. The merger has had a significant impact on the operating performance of the merged company:

The operating performance of the acquired company has not had a significant impact on the merged company from the acquisition date until the date of this consolidated financial report.

2022

1. Acquisition of Subsidiary

Name	Primary Business	Acquisition Date	Ownership Stake/Voting Rights
ANNDING INVESTMENT CO.,LTD	Investment Company	December,2022	48.84%
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Cosmetics Wholesale	December,2022	50.49%
TONG ANN CHEMICALS CO., LTD.	Chemical Wholesale	December,2022	57.30%

2. Assets and Liabilities Acquired on the Acquisition Date:

	ANNDING INVESTMENT CO.,LTD	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	TONG ANN CHEMICALS CO., LTD.	Total
The fair values of identifiable assets acquired and liabilities assumed on the acquisition date are as follows:				
Cash and cash equivalents	$265	$84	$563	$912
Other current assets	234,828	23,634	70,410	328,872
Other non-current assets	1,960,481	1,143,711	1,806,160	4,910,352
Other current liabilities	(172,169)	(429,989)	(633,361)	(1,235,519)
Total amount of Identifiable Assets	$2,023,405	$737,440	$1,243,772	$4,004,617

3. Goodwill Arising from the Acquisition

	ANNDING INVESTMENT CO.,LTD	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	TONG ANN CHEMICALS CO., LTD.	Total
Consideration Transferred	$2,023,405	$737,440	$1,243,772	$4,004,617
Less: Fair Value of Net Identifiable Assets Acquired	(2,023,405)	(737,440)	(1,243,772)	(4,004,617)
Goodwill Arising from the Acquisition	$ —	$ —	$ —	$ —

4. Net Cash Flow from Acquiring Subsidiary

	ANNDING INVESTMENT CO.,LTD	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	TONG ANN CHEMICALS CO., LTD.	Total
Cash and Cash Equivalents Acquired	$265	$84	$563	$912
Less: Cash Consideration Paid	—	—	—	—
	$265	$84	$563	$912

5. The merger has had a significant impact on the operating performance of the merged company:

The operating performance of the acquired company has not had a significant impact on the merged company from the acquisition date until the date of this consolidated financial report.

(17) Operating Revenue

Item	2023	2022
Revenue from customer contracts		
Revenue from feed business		
Sales revenue	$64,496	$34,669
Sales returns	(43)	(87)
Sales allowances	(10)	(170)
Subtotal of revenue from feed business	$64,443	$34,412
Revenue from professional investment business		
Net gains from financial asset sales	--	52
Dividend income	11,276	28,563
Subtotal of revenue from professional investment business	$11,276	$28,615
Total	$75,719	$63,027

1. Explanation of revenue from customer contracts: This refers to the sales revenue of agricultural products, primarily targeting domestic downstream manufacturers, and is sold at contractually agreed prices. Revenue is recognized at the point in time when contractual obligations are satisfied.

   Revenue from professional investment business is derived from the investment business of the acquired subsidiary.

2. Contract balances: The company recognizes accounts receivable, contract assets, and contract liabilities related to revenue from customer contracts as follows:

	December 31, 2023	December 31, 2022
Accounts receivable	$47,145	$6,232
Contract assets	—	—
Total	$47,145	$6,232
Contract liabilities - current	$ 4,590	$—

(18) Employee Benefits, Depreciation, Depletion, and Amortization Expenses

	2023		
	Included in Operating Costs	Included in Operating Expenses	Total
Employee Benefits Expenses			
Salary Expenses	$1,921	$10,070	$11,991
Labor and Health Insurance Expenses	266	1,097	1,363
Retirement Benefit Expenses	118	436	554
Director Remuneration	—	2,414	2,414
Other Employee Benefits Expenses	114	493	607
Depreciation Expenses	274	884	1,158
Total	$2,693	$15,394	$18,087

	2022		
	Included in Operating Costs	Included in Operating Expenses	Total
Employee Benefits Expenses			
Salary Expenses	$1,910	$7,532	$9,442
Labor and Health Insurance Expenses	271	608	879
Retirement Benefit Expenses	125	226	351
Director Remuneration	—	3,500	3,500
Other Employee Benefits Expenses	45	296	341
Depreciation Expenses	296	571	867
Total	$2,647	$12,733	$15,380

1. The company's compensation policy for salary rewards (including directors, executives, and employees) is as follows:

(1) Director and Supervisor Compensation

According to the company's bylaws, the company's directors and supervisors' car allowances, related allowances, and remuneration are authorized by the Board of Directors based on their level of involvement and contribution to the company's operations, taking into account the industry's customary standards. The remuneration is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. The bylaws also stipulate that the total director and supervisor remuneration shall not exceed 5% of the annual profit.

(2) Executive Compensation

The remuneration for the company's executives is determined based on their positions, contributions, the company's annual business performance, and considering future risks, as reviewed by the Remuneration Committee and approved by the Board of Directors.

(3) Employee Compensation

The company strives to provide employees with competitive and comprehensive compensation and benefits that are at the industry average level. Taking into account external competitiveness, internal fairness, and legality, the company has implemented a diversified and competitive compensation system. It adheres to the principle of sharing profits with employees and aims to attract, retain, develop, and motivate employees. Employee compensation includes monthly salaries, performance bonuses based on the annual profit situation, and employee benefits. The company's bylaws specify that 1% to 5% of the annual profit is allocated for employee benefits.

2. The company allocates employee benefits and director/supervisor remuneration based on the current year's pre-tax profits, after deducting the distribution to employees and director/supervisor remuneration. The allocation is set at no less than 1% to 5% for employee benefits and not exceeding 5% for director/supervisor remuneration. The estimated provisions for employee benefits and director/supervisor remuneration for the period from January 1 to December 31 of 2023 and 2022 are as follows:

	2023	2022
Employee Benefits	$1,400	$2,400
Director/Supervisor Remuneration	$2,000	$3,500

If there are any changes in the cash amounts after the issuance date of the annual financial report, they will be adjusted and recorded in the following year's financial statements based on accounting estimates.

3. The following amounts for employee compensation and director remuneration for the years 2022 and 2021 were approved by the Board of Directors on April 24, 2023, and March 28, 2022, respectively, and recognized in the financial reports:

	2022	2021
Employee Benefits	$2,400	$2,400
Director/Supervisor Remuneration	$3,500	$3,500

The actual amounts distributed for employee compensation and director remuneration for the years 2022 and 2021 differ from the amounts recognized in the individual financial statements for those years. This difference primarily arises from considerations of operational fund allocation. The Company will gradually distribute these amounts in the year 2023..

4. The above-mentioned information regarding employee compensation and director remuneration can be obtained from the Public Information Observation System for public access.

(19) Interest Income

Project	2023	2022
Interest Income		
Bank Deposit Interest	$262	$11
Court Allocation	—	42
Total	$262	$53

(20) Other Income

Project	2023	2022
Rental Income	$394	$483
Dividend Income	12,859	84,393
Other	4,095	4,688
Total	$17,348	$89,564

(21) Other Gains and Losses

Project	2023	2022
Financial assets measured at fair value through profit or loss	$(9)	$ 11
Gain/(Loss) on disposal of property, plant, and equipment	—	(2)
Gain/(Loss) on disposal of investments	(1,466)	—
Net foreign exchange gain/(loss)	83	147
Bargain purchase gain	3,738	—
Other losses	(890)	(1,163)
Total	$ (1,456)	$ (1,007)

(22) Financial Costs

Project	2023	2022
Interest on Bank Borrowings	$15,859	$26,063
Securities financing interest	19,273	—
Financial Costs	$35,132	$26,063

(23) Income Tax

1. Components of Income Tax Expense：

	2023	2022
Current Income Tax:		
Income Tax Generated in the Current Year	$3,616	$9,919
Surcharge on Undistributed Earnings	1,734	2,511

Adjustment for Prior Year's Income	1,224	529
Total Current Income Tax	6,574	12,959
Deferred Income Tax:		
Origin and Reversal of Temporary Differences	1,092	21
Income Tax Expense (Benefit)	$7,666	$12,980

2. Income Tax Recognized in Equity

	2023	2022
Current Income Tax:	—	—
Disposal of equity investments measured at fair value through other comprehensive income	$649	$6,665
The adjustment of prior-year income tax	1,754	8,348
The income tax recognized directly in equity	$2,403	$15,013

3. Adjustment between Accounting Profit and Current Income Tax Expense:

	2023	2022
The tax amount calculated based on the statutory tax rate for the pre-tax net profit	$18,539	$41,722
Adjustments for items not included in taxable income calculation:		
Exempted income	(8,413)	(6,005)
Equity method investment income	(39,050)	(27,192)
Other	24,666	1,394
Subtotal of general tax amount	3,626	9,919
Additional tax for undistributed earnings	1,724	2,511
Adjustment for prior-year income tax	1,224	529
Net changes in deferred income tax	1,092	21
Income tax expense recognized in the income statement	$7,666	$12,980

4. Deferred Income Tax Assets or Liabilities arising from Temporary Differences, Losses Carried Forward, and Investment Tax Credits:

	2023			
	Beginning Balance	Recognized in Income	Recognized in Other Comprehensive Income	Ending Balance
Deferred Income Tax Assets:				
Temporary Differences				
Unrealized Inventory Obsolescence and Decline in Value	$6,200	$(1,085)	$ —	$5,115
Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss	7	(7)	—	—
Unrealized Exchange Losses	(29)	—	—	(29)
Unrealized Obsolescence and Decline in Value of Supplies and Inventories	60	—	—	60
	$6,238	$1,092	$ —	$5,146
Deferred Income Tax Liabilities:				
Temporary Differences:				
Land Value Tax	$ (54,280)	$ —	$ —	$ (54,280)
Net Defined Benefit Assets	(23)	—	—	(23)
	$ (54,303)	$ —	$ —	$ (54,303)

	2022			
	Beginning Balance	Recognized in Income	Recognized in Other Comprehensive Income	Ending Balance
Deferred Income Tax Assets:				

Temporary Differences				
Unrealized Inventory Obsolescence and Decline in Value	$6,200	$ —	$ —	$6,200
Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss	9	(2)	—	7
Unrealized Exchange Losses	8	(37)	—	(29)
Unrealized Obsolescence and Decline in Value of Supplies and Inventories	—	60	—	60
	$6,217	$21	$ —	$6,238
Deferred Income Tax Liabilities:				
Temporary Differences				
Land Value Tax	$ (54,280)	$ —	$ —	$ (54,280)
Net Defined Benefit Assets	(23)	—	—	(23)
	$ (54,303)	$ —	$ —	$ (54,303)

5. Items not recognized as deferred income tax assets

	December 31,2023	December 31,2022
Loss Carryforwards	$17,497	$17,497
Temporary Differences	—	—
Total	$17,497	$17,497

6. The consolidated company's income tax for the business operations has been assessed by the tax authorities up to the year 2020. However, there is a disagreement with the assessment result for the year 2020, and administrative recourse is currently in progress.

(24) Basic Earnings per Share (EPS)

	2023	2022
Basic Earnings per Share (EPS):		
Net income for the period (A)	$95,215	$169,195
Beginning Issued Shares (in thousands)	133,629	104,398
Treasury Stock - Subsidiary Holding Parent Company Shares	(63,011)	(4,509)
Bonus Shares - Retroactively Calculated for 2021 Fiscal Year	—	29,231
Bonus Shares - Retroactively Calculated for 2022 Fiscal Year	16,036	16,036
Weighted Average Number of Outstanding Shares (in thousands) (B)	86,654	145,156
Earnings per Share (EPS) (after tax)(A/B)	$1.1	$1.17

7. *Related Party Transactions*

1. Parent Company and Ultimate Controlling Party:

   The consolidated company has no parent company or ultimate controlling party.

2. Names of Related Parties and Relationships:

Related Parties	Relationship Type
ANNDING INVESTMENT CO.,LTD	Converted to Subsidiary
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Converted to Subsidiary
TONG ANN CHEMICALS CO., LTD.	Converted to Subsidiary
ANDA INVESTMENT CO.,LTD	Related Party
FORMOSA OILSEED PROCESSING CO,LTD	Related Party

GENESIS TECHNOLOGY, INC.	Related Party
NONG ANN BIOTECHNOLOGY CO., LTD.	Other Related Party
TOP FOOD INDUSTRY CORPORATION	Other Related Party
AMHE INVESTMENT HOLDINGS CO.,LTD.	Other Related Party
AMDAXIN INVESTMENT CO.,LTD.	Other Related Party
Wu Jinquan	Key Management Personnel
Lin Yueting	Other Related Party
Wu Xingcheng	Other Related Party
Qin Huiru	Other Related Party

3. Significant Transactions with Related Parties:

(1). Purchases

Related Party	2023	2022
TOP FOOD INDUSTRY CORPORATION	$4,726	$4,050
Other Related Parties	—	--
Total	$4,726	$4,050

The merger company purchases from other related parties at prices based on prevailing market rates and payment terms that are comparable to those of regular suppliers.

(2). Payables to Related Parties (excluding loans from related parties)

Account Item	Related Party Type	December 31,2022	December 31,2021
Accounts Payable	Other Related Party	$1,616	$1,413
Other Payables	Other Related Party	$72	$25

(3). Advance Payments

Account Item	Related Party Type	2023	2022
Other Current Liabilities	Other Related Party	$8,650	$8,650

(4). Property Transactions

Disposal of Equity

As of the end of December 2023, the amounts of prepaid consideration related to the sale of a 5% stake in Annding Investment CO.,LTD and Anda Investment CO.,LTD, as agreed in the contract signed in November 2020, totaling 88,913 thousand (Note), are as follows:

Relationship Category	Transaction Subject	Sale Price (Note)	Prepaid Consideration (Recorded under Other Current Liabilities)
AMHE INVESTMENT HOLDINGS CO.,LTD.	900 thousand shares of Anda Investment CO.,LTD	$32,607	$3,172
AMDAXIN INVESTMENT CO.,LTD.	3,765 thousand shares of Annding Investment CO.,LD	56,306	5,478
	Total	$88,913	$8,650

The stock transaction prices mentioned above are primarily determined through negotiation between the parties involved, taking into consideration the net value per share of the investee company.

Note : these prices are the net amounts after deducting securities transaction tax.

The company entered into an agreement in November 2020 to sell 5% of its holdings in both Annding and Anda Investment CO.,LTD. The related assets and liabilities were reclassified as held for sale non-current assets. However, as of December 31, 2022, which is more than two years since the agreement and the buyer has not yet fulfilled their obligations, the company intends to cease classifying them as held for sale non-current assets in accordance with International Financial Reporting Standards (IFRS) 5.

(5). Funding Arrangements

Account Item	Related Party	2023	2022
Other receivables	ANDA INVESTMENT CO.,LTD	$39,497	$--
Other Payables	Other Related Party	$17,680	$26,863
	Wu Jinquan	697,151	262,279
	Qin Huiru	261,707	257,388
	Total	$976,538	$546,530

(6). Rent expense(operating expenses)

Related Party Category/Name	2023	2022
Related Party	$9	$--

(7). Security Deposits

Related Party Category/Name	2023	2022
Key Management Personnel	$30	$30

4. Executive Compensation Information:

Item	2023	2022
Salaries and Other Short-term Employee Benefits	$3,029	$5,080
Post-employment Benefits	53	54
Total	$3,082	$5,134

8. Pledged Assets:

The following assets have been provided as collateral for various loans and performance guarantees:

Item	December 31, 2023	December 31, 2022
Financial assets at fair value through other comprehensive income - Current	$176,350	$614,469
Other financial assets - Non-current	--	5,000
Investments accounted for using the equity method	1,085,956	1,633,820
Property, plant, and equipment	161,577	161,786
Total	$1,423,883	$2,415,075

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments:

A. As of December 31, 2023 and December 31, 2022, the consolidated company received promissory notes totaling NT$1,800 thousand.

B. Lawsuit Explanation:

1. There is a damage compensation case between the consolidated company and Mr. Lin. The case has already been ruled by the appellate court, and the judgment is as follows:

a. The original judgment, which ordered the consolidated company to pay more than NT$3,150 thousand in principal, interest, and litigation costs, has been overturned.

b. The litigation costs of the first and appellate court are to be borne by the consolidated company, covering three-tenths, and the remaining amount will be borne by Mr. Lin. Both the consolidated company and Mr. Lin are dissatisfied with the ruling and have filed further appeals against their respective losses. The case is currently being reviewed by the Supreme Court.

2. A poultry farm operator has filed a civil lawsuit against the Company claiming damages amounting to NT$7,022 thousand. The case is currently under review by the Supreme Court.

10. Significant Disaster Losses: None.

11. Subsequent Events of Significance: None.

12. Others

I. Capital Risk Management

In order to support expansion and improvement of facilities and equipment, the merged company needs to maintain sufficient capital. Therefore, capital management of the merged company aims to ensure the availability of necessary financial resources and operating plans to meet the future 12-month requirements for operating funds, capital expenditures, and debt repayments.

II. Financial Instruments

1. Financial Risk of Financial Instruments

Financial Risk Management Policy

The merged company's daily operations are subject to various financial risks, including market risk (including foreign exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. To mitigate these financial risks, the company focuses on identifying, evaluating, and mitigating market uncertainties to reduce the potential adverse impact of market fluctuations on the financial performance of the group.

The merged company's significant financial activities are subject to review and approval by the board of directors in accordance with relevant regulations and internal control systems. During the execution of financial plans, the merged company must adhere to the established financial operational procedures concerning overall financial risk management and delineation of responsibilities.

(1). market risk

A. Foreign Exchange Risk

(A) There have been no significant changes in the nature and extent of significant financial risks as described in the 2023 year consolidated financial statements. Please refer to Note 12(2) of the 2023 year consolidated financial statements for related information.

(B) Foreign Exchange Exposure and Sensitivity Analysis

			December 31, 2023			
			Book Value	Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency	Exchange Rate	(In New Taiwan Dollars)	Change in Rate	Profit Impact	Equity Impact
Financial Assets						
Monetary Items						
USD:TWD	106	30.64	3,251	1% Appreciation	32	—

			December 31, 2022			
			Book Value	Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency	Exchange Rate	(In New Taiwan Dollars)	Change in Rate	Profit Impact	Equity Impact
Financial Assets						
Monetary Items						
USD:TWD	49	30.75	1,505	1% Appreciation	15	—

If the New Taiwan Dollar appreciates relative to the mentioned currencies, assuming all other factors remain unchanged, it would result in an equal but opposite impact on the monetary amounts of those currencies as of December 31st in the 2023 and 2022 fiscal years.

(C) The consolidated foreign currency monetary items of the merged company had a significant impact due to exchange rate fluctuations. The total amount of cumulative translation gains (including realized and unrealized) recognized in the 2023 and 2022 fiscal years was NT$83 thousand and NT$147 thousand, respectively.

B. Price Risk

Due to the securities held by the merged company being classified as either financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income on the consolidated balance sheet, the merged company is exposed to price risk associated with these securities.

The merged company primarily invests in listed and unlisted domestic and foreign company stocks and beneficiary certificates, and the prices of these securities can be affected by the uncertainty of their future values.

If the prices of the securities increase or decrease by 1%, the after-tax losses for the 2023 and 2022 fiscal years will increase or decrease by NT$5 thousand and NT$5 thousand, respectively, due to the increase or decrease in fair value of financial assets at fair value through profit or loss. The after-tax other comprehensive income for the 2023 and 2022 fiscal years will increase or decrease by NT$6,700 thousand and NT$2,699 thousand, respectively, due to the increase or decrease in fair value of financial assets at fair value through other comprehensive income.

C. Interest Rate Risk

(A) Sensitivity Analysis for Fair Value Interest Rate Risk Instruments

The merged company does not have significant amounts of financial assets and liabilities classified as fair value through profit or loss or fair value through other comprehensive income. Additionally, no derivative instruments (interest rate swaps) have been designated as hedging instruments under the fair value hedge accounting model. Therefore, changes in interest rates on the reporting date will not affect the income statement and other comprehensive income.

(B) Sensitivity Analysis for Cash Flow Interest Rate Risk

The merged company's financial instruments with variable interest rates are floating-rate assets (liabilities), and changes in market interest rates will result in corresponding changes in their effective interest rates, causing fluctuations in future cash flows. For every 1% increase (decrease) in market interest rates, the net profit for the 2023 and 2022 fiscal years will increase (decrease) by (NT$12,554 thousand) and decrease (increase) by (NT$5,572 thousand) , respectively.

(2).Credit Risk

Credit risk refers to the risk of financial loss arising from counterparties' failure to fulfill contractual obligations to the merged company. The credit risk of the merged company primarily comes from trade receivables generated from its operational activities, as well as bank deposits and other financial instruments resulting from its investment activities. Operational-related credit risk and financial credit risk are managed separately.

A. Operational-related credit risk

To maintain the quality of trade receivables, the merged company has established procedures for managing operational-related credit risk. The risk assessment of individual customers takes into consideration factors such as their financial condition, internal credit ratings within the merged company, historical transaction records, and current economic conditions, among other factors that may affect their payment ability.

B. Financial credit risk

The credit risk associated with bank deposits and other financial instruments is evaluated and monitored by the financial department of the merged company. The counterparties and contractual parties of the merged company consist of well-rated banks, financial institutions, corporate organizations, and government agencies, with no significant contractual concerns. Therefore, there is no significant credit risk. Additionally, the merged company does not classify any debt instruments as amortized cost or measure any debt instrument at fair value through other comprehensive income.

(3).Liquidity Risk

A. Overview:

The objective of managing liquidity risk in the merged company is to maintain sufficient financial flexibility by ensuring adequate cash and cash equivalents, highly liquid securities, and a satisfactory level of bank financing to meet operational needs.

B. Analysis of Financial Liabilities by Maturity

The following table presents a summary of financial liabilities in terms of their contractual maturity dates and undiscounted amounts:

December 31, 2023						
Non-derivative Financial Liabilities	Short-term	1-2 years	2-5 years	Over 5 years	Cash Flows	Carrying Amount
Short-term borrowings	$819,209	$ —	$ —	$ —	$819,209	$819,209
Payables on short-term notes	30,000	—	—	—	30,000	29,975
Accounts payable and Notes payable	30,658	—	—	—	30,658	30,658
Other payables	1,020,738	—	—	—	1,020,738	1,020,738
Lease liability	298	177	--	--	475	475
Long-term bank loans	47,240	24,000	335,000	—	406,240	406,240
Deposits received as guarantees	87	—	—	—	87	87
Total	$1,948,230	$24,177	$335,000	$ —	$2,307,407	$2,307,382

December 31, 2022						
Non-derivative Financial Liabilities	Short-term	1-2 years	2-5 years	Over 5 years	Cash Flows	Carrying Amount
Short-term borrowings	$637,933	$ —	$ —	$ —	$637,933	$637,933
Payables on short-term notes	30,000	—	—	—	30,000	29,981

Accounts payable	8,586	—	—	—	8,586	8,586
Other payables	709,839	—	—	—	709,839	709,839
Long-term bank loans	27,000	44,240	347,000	—	418,240	418,240
Deposits received as guarantees	118	—	—	—	118	118
Total	$1,413,476	$44,240	$347,000	$ —	$1,804,716	$1,804,697

The consolidated company does not anticipate significant changes in the timing or amounts of cash flows arising from its financial liabilities.

2. Types of Financial Instruments

	December 31,2023	December 31,2022
Financial Assets:		
Measured at amortized cost:		
Cash and cash equivalents	$61,705	$8,858
Accounts receivable	47,145	6,232
Other receivables	40,746	48,914
Deposits as collateral	4,957	132
Current financial assets	520	529
Other comprehensive income financial assets - current	656,742	256,965
Other comprehensive income financial assets - non-current	13,210	12,925
Other non-current financial assets	--	5,000
Financial Liabilities		
Measured at amortized cost		

Short-term borrowings	819,209	637,933
Short-term notes payable	29,975	29,981
Accounts payable and Notes payable	30,658	8,586
Other payables (including related parties)	1,020,738	709,839
Long-term bank loans (including current portion)	47,240	418,240
Deposits received as collateral	87	118

III. Fair Value Information:

1. Regarding the fair value information of financial assets and financial liabilities that are not measured at fair value, please refer to Note 12(3) for further details. For the fair value information of investment properties measured at cost by the consolidated company, please refer to Note 6(9) for more information.

2. Definition of fair value levels:

Level 1:

The inputs for this level are quoted prices in active markets for identical instruments. An active market is one where the following conditions are met: the traded goods are homogenous, willing buyers and sellers can be found at any time in the market, and pricing information is accessible to the public. Investments in listed stocks, beneficial certificates, government bonds categorized as popular securities, and derivative instruments with active market quoted prices fall into this category.

Level 2:

The inputs for this level are observable prices other than quoted prices in active markets, including directly observable prices (such as market prices) or indirectly observable prices derived from active markets. Bonds, corporate bonds, financial bonds, convertible bonds, and most derivative instruments that are not categorized as popular securities fall into this category.

Level 3:

The inputs for this level are unobservable inputs used to measure fair value, which are not based on observable market data. Investments in illiquid instruments without an active market fall into this category.

3. Non-fair value measurement financial instruments:

Financial instruments that are not measured at fair value by the Company, such as cash and cash equivalents, accounts and notes receivable, other financial assets, deposits as guarantees, short-term borrowings, payable short-term notes, accounts and notes payable, and deposits received as guarantees, are measured at a reasonable approximation of fair value.

4. Fair value level information:

The Company measures financial instruments at fair value based on their repetitiveness, while non-current assets held for sale are measured based on non-repetitiveness at the lower of carrying amount or fair value less selling costs. The fair value level information for the Company is presented in the following table:

	December 31,2023			
Item	Level 1	Level 2	Level 3	Total
Financial assets measured through profit or loss:				
Beneficial certificates	499	--	--	499
Domestic listed stocks	21	--	--	21
Financial assets measured through other comprehensive income:				
Domestic listed stocks	656,742	—	--	656,742
Domestic unlisted stocks	--	—	13,210	13,210
Total	$657,262	$ —	$13,210	$670,470

	December 31,2022			
Item	Level 1	Level 2	Level 3	Total
Financial assets measured through profit or loss:				

Beneficial certificates	477	--	--	477
Domestic listed stocks	52	—	—	52
Financial assets measured through other comprehensive income:				
Domestic and foreign unlisted stocks	—	—	12,925	12,925
Domestic listed stocks	256,965	—	—	256,965
Total	$257,494	$ —	$12,925	$270,419

5. Valuation Techniques for Instruments Measured at Fair Value:

(1) For financial instruments with active market quotations, the fair value is determined based on the publicly quoted prices in the active market. The market prices announced by major exchanges and the Central Government Debt Securities OTC Trading Center, which is determined to be a popular trading venue, serve as the basis for fair value assessment of listed equity instruments and debt instruments with active market quotations.

If timely and frequent publicly quoted prices of financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service organizations, or regulatory authorities, and such prices represent transactions that occur in the fair market on a regular basis, then those financial instruments are considered to have active market quotations. If the aforementioned conditions are not met, the market is considered to be inactive. Generally, a significant bid-ask spread, a significant increase in bid-ask spread, or low trading volume are indicators of an inactive market.

For financial instruments held by the Company with active markets, their fair values are presented by category and nature as follows:

A. Listed company stocks: Closing price.

B. Open-ended funds: Net asset value.

(2) For financial instruments other than those with active markets, the fair value is determined using valuation techniques or by referencing quotes from market participants. The fair value obtained through valuation techniques can be based on the current fair value of other similar financial instruments with comparable terms and characteristics, discounted cash flow methods, or other valuation techniques, including the utilization of models that incorporate market information available on the balance sheet date.

The fair value of unlisted (OTC) company stocks held by the Company, which do not have active markets, is primarily estimated using market-based approaches. The determination takes into consideration valuation of comparable companies, third-party quotes, company net worth, and assessment of operational conditions. Additionally, the significant unobservable inputs mainly include liquidity discounts. However, since potential fluctuations in liquidity discounts would not have a significant potential financial impact, the quantified information regarding such inputs is not disclosed.

6. Movement between the first and second levels: None.

7. Statement of Changes in Level 3 - Financial Assets Measured at Fair Value through Other Comprehensive Income - Unlisted Stocks

Item	2023	2022
Opening Balance	$12,925	$10,978
Purchases	285	1,947
Recognized in Other Comprehensive Income	—	—
Closing Balance	$13,210	$12,925

8. Valuation Process for Fair Value Classified in Level 3:

For unlisted equity investments, both domestic and foreign, where there is no publicly quoted price available, the fair value is determined using the net asset value (NAV) method.

IV. Transfer of financial assets: None.

V. Offsetting of financial assets and financial liabilities: None.

13. Disclosure Notes

A. Significant transaction-related information (before offsetting in consolidation):

(1) Loans to others: Schedule 1.

(2) Endorsements and guarantees for others: None.

(3) Holdings of marketable securities at the end of the period: See Schedule 2.

(4) Cumulative purchases or sales of the same marketable securities amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: See Schedule 3.

(5) Acquisition of real estate amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: None.

(6) Disposal of real estate amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: None.

(7) Sales and purchases of goods with related parties amounting to NT$100 million or more, or exceeding 20% of the paid-in capital: None.

(8) Accounts receivable from related parties amounting to NT$100 million or more, or exceeding 20% of the paid-in capital: None.

(9) Transactions involving derivative instruments: None.

(10) Business transactions between parent and subsidiary companies: Not disclosed separately due to immaterial amounts.

B. Information on investments in associates: See Schedule 4.

C. Information on investments in Mainland China: None.

D. Information on major shareholders (names, shareholdings, and ownership percentages of shareholders with stakes exceeding 5%): See Schedule 5.

14. Segment Information

The consolidated company determines its operating segments based on management reports used for decision-making, performance evaluation, and resource allocation by management authorities. The reported segments of the consolidated company are Shin Tai Department, Shin Fong Department, Tai Sheng Department, Annding Department, Mei Ann Department, and Tong Ann Department. This measure of segment amounts is provided to the primary operating decision-makers for the purpose of resource allocation to the segments and evaluating their performance.

(A) Departmental Financial Information

2023	Department	Adjustments and Eliminations	Total
Revenue:			
External Customer Revenue			
Shin Tai	$31,977	$ (5)	$31,972
Shin Fong	8,565	—	8,565
Annding	7,074	(4,363)	2,711
Tai Sheng	1,059	--	1,059
Mei Ann	--	—	--
Tong Ann	2,694	(22)	2,672
Tai Yu	28,740	--	28,740
Total Department Revenue	$80,109	$ (4,390)	$75,719
Department Profit/Loss:			
Shin Tai			$98,193
Shin Fong			66,538
Annding			(4,319)
Tai Sheng			6,811
Mei Ann			3,660
Tong Ann			(50,675)

Tai Yu			(10,799)
Adjustments and Eliminations			(16,713)
Total Department Profit/Loss			$92,696
Department Assets			$4,321,478
Department Liabilities			$2,406,510

2022	Department	Adjustments and Eliminations	Total
Revenue:			
External Customer Revenue			
Shin Tai	$25,197	$ —	$25,197
Shin Fong	32,024	—	32,024
Tai Sheng	10	—	10
Mei Ann	1,436	--	1,436
Tong Ann	4,360	--	4,360
Interdepartmental Revenue	3,865	(3,865)	—
Total Department Revenue	$66,892	$ (3,865)	$63,027
Department Profit/Loss:			
Shin Tai			$169,178
Shin Fong			73,029
Tai Sheng			7,229
Annding			32,801
Mei Ann			12,130
Tong Ann			21,800
Adjustments and Eliminations			(107,554)
Total Department Profit/Loss			$208,613
Department Assets			$3,605,307

Department Liabilities	$1,907,799

(B) Sales Amount to Major Customers Accounting for over 10% of Net Sales Revenue in Consolidated Company for Fiscal Years 2023 and 2022: None.

(C) Regional Information

1.Sales Revenue from External Customers

	2023		2022	
	Amount	Percentage of sales to net sales.	Amount	Percentage of sales to net sales.
Taiwan	$64,443	85.1	$34,412	54.6

2. Property, Plant, and Equipment

	December 31,2023		December 31,2022	
	Amount	Percentage of total assets to net assets.	Amount	Percentage of total assets to net assets.
Taiwan	$171,668	4.0	$172,143	4.8

Schedule 1

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
FINANCING PROVIDED TO OTHERS
December 31, 2023

Season 4 of 2023 (In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	ANNDING INVESTMENT CO.,LTD.	SHIN TAI INDUSTRY CO.,LTD.	Other receivables	Yes	50,000	50,000	48,510	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	TONG ANN CHEMICALS CO., LTD.	Other receivables	Yes	100,000	100,000	68,700	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Other receivables	Yes	50,000	50,000	44,430	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	ANDA INVESTMENT CO.,LTD.	Other receivables	No	50,000	50,000	39,497	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)

Note 1： The loan limit for individual objects shall not exceed 10% of the net worth of Anding Company.

Note 2： The total limit of capital loans shall not exceed 40% of the net worth of Anding Company.

Schedule 2

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
MARKETABLE SECURITIES HELD
December 31, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SHIN TAI INDUSTRY CO.,LTD.	Fund- HSBC Three to Four Year Maturity Emerging Asia Bond Fund ACUSD.	none	Financial assets at FVTPL - current	1	499	—	499	
			Total		499		499	
	Ordinary shares- EASTERN MEDIA INTERNATIONAL CORPORATION.	none	Financial assets at FVTOCI - current	10	217	—	217	
	Ordinary shares- SHIH WEI NAVIGATION CO., LTD.	none	Financial assets at FVTOCI - current	—	3	—	3	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	51	—	51	
	Ordinary shares- TTET UNION CORPORATION.	none	Financial assets at FVTOCI - current	1	143	—	143	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,321	92,866	2.0	92,866	
	Ordinary shares- STARK TECHNOLOGY, INC.	none	Financial assets at FVTOCI - current	6	723	—	723	
	Ordinary shares- TAISUN ENTERPRISE CO.,LTD.	none	Financial assets at FVTOCI - current	11	248	—	248	
	Ordinary shares- LONG BON INTERNATIONAL CO.,LTD.	none	Financial assets at FVTOCI - current	7	111	—	111	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	136	6,718	0.2	6,718	
	Ordinary shares- TAI ROUN PRODUCTS CO.,LTD.	none	Financial assets at FVTOCI - current	30	430	—	430	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	8	133	—	133	
	Ordinary shares- PCL TECHNOLOGIES,INC.	none	Financial assets at FVTOCI - current	3	232	—	232	
	Ordinary shares- Browave Corporation.	none	Financial assets at FVTOCI - current	1	88	—	88	
			Total		101,963		101,963	
	Ordinary shares- Sunny Bank Ltd.	none	Financial assets at FVTOCI - non-current	1,135	13,210	—	13,210	
	Ordinary shares- EVERSTRONG ANIMAL HEALTHCO.,LTD.	none	Financial assets at FVTOCI - non-current	34	—	—	—	
			Total		13,210	—	13,210	

(next page)

(Continued)

Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SHIN FONG TRADING CO., LTD.	Ordinary shares- RITEK CORPORATION.	none	Financial assets at FVTPL - current	—	1	—	1	
			Total		1		1	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	—	27	—	27	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	21	399	—	399	
	Ordinary shares- APOGEE OPTOCOM CO., LTD.	none	Financial assets at FVTOCI - current	—	5	—	5	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,763	123,942	2.7	123,942	
	Ordinary shares- TAISUN ENTERPRISE CO.,LTD.	none	Financial assets at FVTOCI - current	15	338	—	338	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	898	44,361	1.0	44,361	
			Total		169,072		169,072	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	4,886	382,611	3.3	382,611	
			Total		382,611		382,611	
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	65	—	65	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	1	71	—	71	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	64	4,499	0.1	4,499	
	Ordinary shares- SYSTEX CORPORATION.	none	Financial assets at FVTOCI - current	10	1,120	—	1,120	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	15	741	—	741	
			Total		6,496		6,496	

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(Continued)

Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	111	5,484	0.1	5,484	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	59	—	59	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,091	76,704	1.6	76,704	
	Ordinary shares- TAIWAN NAVIGATION CO., LTD.	none	Financial assets at FVTOCI - current	1	33	—	33	
	Ordinary shares- JETWELL COMPUTER CO.,LTD.	none	Financial assets at FVTOCI - current	8	744	—	744	
			Total		83,024		83,024	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	14,920	1,168,220	10.0	1,168,220	
			Total		1,168,220		1,168,220	
TONG ANN CHEMICALS CO., LTD.	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	798	39,421	1.2	39,421	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	37	714	—	714	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	2,023	142,245	3.1	142,245	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	12	673	—	673	
	Ordinary shares- CTCI Corporation	none	Financial assets at FVTOCI - current	15	644	—	644	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	3	50	—	50	
			Total		183,747		183,747	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	26,923	2,108,054	18.0	2,108,054	
			Total		2,108,054		2,108,054	

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(Continued)

Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ANNDING INVESTMENT CO.,LTD.	Ordinary shares- EASTERN MEDIA INTERNATIONAL CORPORATION.	none	Financial assets at FVTPL - current	—	2	—	2	
	Ordinary shares- SHIH WEI NAVIGATION CO., LTD.	none	Financial assets at FVTPL - current	—	9	—	9	
	Ordinary shares- China Communications Media Group Co., Ltd.	none	Financial assets at FVTPL - current	2	9	—	9	
			Total		20		20	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	7	130	—	130	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	533	37,481	0.8	37,481	
	Ordinary shares- APOGEE OPTOCOM CO., LTD.	none	Financial assets at FVTOCI - current	—	16	—	16	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	3	164	—	164	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	1,491	73,656	1.7	73,656	
	Ordinary shares- TAI ROUN PRODUCTS CO.,LTD.	none	Financial assets at FVTOCI - current	24	344	—	344	
	Ordinary shares- SYSTEX CORPORATION.	none	Financial assets at FVTOCI - current	4	448	—	448	
	Ordinary shares- AZION CORPORATION.	none	Financial assets at FVTOCI - current	1	35	—	35	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	10	166	—	166	
			Total		112,440		112,440	

Schedule 3

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
December 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition			Disposal				Ending Balance	
					No. of Shares (1000)	Amount (Note)	Allotment of shares	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount	Carrying Amount (Note)	Gain on Disposal	No. of Shares (1000)	Amount
ANNDING INVESTMENT CO.,LTD.	FORMOSA OILSEED PROCESSING CO,LTD.	Investments accounted for using equity method	-	-	8,163	498,443	407	5,681	347,254	5,823	337,650	354,044	(16,394)	8,428	491,653

Note：Calculated based on original investment cost.

Schedule 4

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Name, Location, and other Related Information about Invested Company
December 31, 2023

(In Thousands of New Taiwan Dollars)

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
SHIN TAI INDUSTRY CO.,LTD.	SHIN FONG TRADING CO., LTD.	KAOHSIUNG CITY	Investment business	349,600	349,600	75,185	100.00%	931,965	74,878	70,515	Subsidiary company
	TAI SHENG OCEAN DEVELOPMENT CO., LTD.	KAOHSIUNG CITY	Fishing industry, aquaculture industry.	20,100	20,100	2,500	100.00%	39,559	6,385	6,385	Subsidiary company
	ANNDING INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	219,195	219,195	36,776	48.84%	404,544	2,754	1,345	Subsidiary company
	ANDA INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	77,022	77,022	8,602	47.79%	309,272	40,903	22,620	
	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	10,500	10,500	1,050	36.21%	(90,140)	1,336	(12,837)	Subsidiary company
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	112,000	112,000	112	39.16%	(277,089)	(52,261)	(44,504)	Subsidiary company
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	242,716	242,716	9,674	9.74%	313,511	289,788	28,263	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	445,773	411,144	26,070	11.35%	450,083	367,879	41,617	
	TAI YU NETWORK & COMMUNICATION INC.	TAICHUNG CITY	Online communication product buying and selling	46,050	—	3,000	60.00%	49,042	(1,244)	(747)	Subsidiary company
SHIN FONG TRADING CO., LTD.	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	430,742	400,652	15,430	15.53%	533,252	289,788	44,530	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	511,946	502,506	16,925	7.37%	514,677	367,879	26,951	
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	2,692	2,692	122	0.12%	4,012	289,788	357	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	39,492	39,492	2,939	1.28%	39,994	367,879	4,707	

(next page)

(Continued)

Schedule 4

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
ANNDING INVESTMENT CO.,LTD.	SHIN TAI INDUSTRY CO.,LTD.	KAOHSIUNG CITY	Food and Grocery Wholesale Industry	1,484,211	1,484,211	66,498	44.43%	1,378,453	98,615	—	
	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	5,500	5,500	550	18.97%	(53,612)	1,336	254	
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	55,000	55,000	55	19.23%	(63,158)	(52,261)	(10,050)	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	203,239	121,121	6,473	6.52%	231,536	289,788	17,145	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	491,653	498,443	8,428	3.67%	492,901	367,879	13,485	
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	ANNDING INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	31,708	31,708	4,775	6.34%	31,708	2,754	—	
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	55,000	55,000	55	19.23%	(91,752)	(52,261)	(10,050)	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	43,758	48,728	1,112	1.12%	47,256	289,788	3,637	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	97,585	96,159	1,901	0.83%	89,999	367,879	3,263	
TONG ANN CHEMICALS CO., LTD.	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	3,000	3,000	300	10.35%	3,000	1,336	—	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	22,366	30,202	600	0.60%	28,792	289,788	2,097	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	196,707	133,568	4,994	2.17%	190,712	367,879	7,594	

Schedule 5

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Information on Major Shareholders
December 31, 2023

Shares / Name of Major Shareholders	Number of Shares Held	Shareholding Percentage
ANNDING INVESTMENT CO., LTD.	66,497,895	44.43%
TONG ANN CHEMICALS CO., LTD.	26,922,786	17.98%
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	14,919,795	9.97%
NONG ANN BIOTECHNOLOGY CO., LTD.	12,509,851	8.35%

Note : The information on major shareholders in this table is based on the calculation made by the TDCC, of which the sharehold ers hold more than 5% of the company' s common share that was completed by non -physical payments (including treasury shares) and special shares on the last business day of the quarter-end of the current quarter. The share capital and the actual number of shares completed by non-physical payments recorded in the Consolidated Company' s consolidated financial report may differ due to the difference in calculation basis.

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SHINTAI INDUSTRY CO., LTD.

Individual Financial Statements for the Years Ended December

31, 2023 and 2022 and Independent Auditors’Report

SHINTAI INDUSTRY CO., LTD.

Index to Financial Statements

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying parent company only financial statements of SHINTAI INDUSTRY CO., LTD. (SHINTAI 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 the audit results of this accountant and the audit reports of other accountants(Please see the Other Matters section) and other auditors' reports set forth in Major Accounting Items, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022,and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Company’s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Investments accounted for using the equity method

For accounting policies related to investments accounted for using the equity method, please refer to Note 4(9) to the financial statements; for information on investments accounted for using the equity method, please refer to Note 6(7) to the financial statements.

Explanation of Key Audit Matters:
The investment accounted for using the equity method for SHINTAI Company as of December 31, 2023 was NT$2,497,976 thousand, representing 87.6% of total assets. As it is considered a significant item in the financial statements, the investment accounted for using the equity method is identified as a key audit matter.

Audit procedures responsive to the financial statements:

- Assessing the reasonableness of the investment and subsequent evaluation policies formulated by management

- Confirming that transactions are approved and verifying the accuracy of transaction amounts
- Accounting for the investment gains and losses recognized by SHINTAI Group based on the equity holding percentage and the related portion of other comprehensive income
- Cross-shareholdings between parent and subsidiary companies have been properly accounted for
- Obtaining evidence and verifying relevant vouchers
- Evaluating for any impairment indicators as of the balance sheet date
- Assessing whether the relevant disclosures in the financial statement notes by management are appropriate

Other Matters

For some of the investee companies evaluated using the equity method by SHINTAI Company, their financial statements have not been audited by our accountants but by other accountants. Therefore, the opinions expressed by our accountants on the individual financial statements mentioned above, including the amounts and related information disclosed in Note 13 concerning the financial statements of these companies, are based on the audit reports of those other accountants. As of December 31, 2023, the investment in these investee companies evaluated using the equity method amounted to NT$450,083 thousand, representing 15.8% of the total assets. The total comprehensive income recognized from these investee companies for the year 2023 (including the share of profit and loss of associated enterprises and joint ventures recognized using the equity method, as well as other comprehensive income shares of associated enterprises and joint ventures recognized using the equity method) was NT$102,641 thousand, accounting for 31.8% of the total comprehensive income.

Responsibilities of Management and Those Charged with Governance for the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing

the preparation of parent company only 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 parent company only financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the management is responsible for assessing SHINTAI Group'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 SHINTAI Group or to cease operations, or has no realistic alternative but to do so.
Those charged with governance (including Auditors) are responsible for overseeing SHINTAI Group's financial reporting process.

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

We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit

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

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

performance of the audit. We remain solely responsible for our audit opinions.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

SOLOMON & CO., CPAs.

Taichung, Taiwan Republic of China

March 15, 2024

Notice to Readers

The accompanying ***standalone*** financial statements are intended only to present the ***standalone*** financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such ***standalone*** financial statements are those generally applied in the Republic of China. For the convenience of readers, the independent auditors' report and the accompanying ***standalone*** financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and ***standalone*** financial statements shall prevail.

SHINTAI INDUSTRY CO., LTD.

Shin Tai Industry Co.,Ltd.
Individual Balance Sheets
December 31, 2023 and 2022

Unit: NTD thousands

Code	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	Note 6 (1)	$ 914	—	$ 4,796	0.2
1110	Current financial assets at fair value through profit or loss	Note 6 (2)	499	—	477	—
1120	Current financial assets at fair value through other comprehensive income	Note 6 (6) & 8	101,963	3.6	109,217	4.4
1150	Notes receivable, net	Note 6 (3)	2,712	0.1	1,970	0.1
1170	Accounts receivable, net	Note 6 (4)	2,462	0.1	2,874	0.1
1200	Other receivables		—	—	8	—
130X	Current inventories	Note 6 (5)	765	—	486	—
1410	Prepayments		725	—	821	—
1470	Other current assets		27	—	49	—
11XX	Total current assets		110,067	3.8	120,698	4.8
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	Note 6 (6)	13,210	0.5	12,925	0.5
1550	Investments accounted for using equity method	Note 6 (7) & 8	2,497,976	87.6	2,117,864	85.1
1600	Property, plant and equipment	Note 6 (8) & 8	171,234	6.0	171,897	6.9
1760	Investment property, net	Note 6 (9)	54,295	1.9	53,927	2.2
1840	Deferred tax assets	Note 6 (22)	5,146	0.2	6,238	0.3
1920	Guarantee deposits paid		132	—	132	—
1975	Net defined benefit asset, non-current	Note 6 (13)	115	—	115	—
1990	Other non-current assets, others	Note 8	—	—	5,000	0.2
15XX	Total non-current assets		2,742,108	96.2	2,368,098	95.2
1XXX	Total assets		$ 2,852,175	100.0	$ 2,488,796	100.0

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd.
Individual Balance Sheets
December 31, 2023 and 2022

Unit: NTD thousands

			December 31, 2023		December 31, 2022	
Code	Assets	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Current borrowings	Note 6 (10)	$ 82,500	2.9	$ 92,280	3.7
2110	Short-term notes and bills payable	Note 6 (11)	29,975	1.1	29,981	1.2
2170	Accounts payable	Note 7	7,071	0.2	7,858	0.3
2200	Other payables		18,456	0.6	15,930	0.6
2220	Other payables to related parties	Note 7	147,830	5.2	4,058	0.2
2230	Current tax liabilities		8,505	0.3	14,086	0.6
2320	Long-term liabilities, current portion	Note 6 (12)	47,240	1.7	27,000	1.1
2300	Other current liabilities, others		8,753	0.3	8,772	0.3
21XX	Total current liabilities		350,330	12.2	199,965	8.0
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	Note 6 (12)	359,000	12.6	391,240	15.7
2570	Deferred tax liabilities	Note 6 (22)	54,303	1.9	54,303	2.2
2645	Guarantee deposits received		57	—	88	—
2650	Credit balance of investments accounted for using equity method	Note 6 (7)	367,229	12.8	246,778	9.9
25XX	Total non-current liabilities		780,589	27.3	692,409	27.8
2XXX	Total liabilities		1,130,919	39.5	892,374	35.8
	Equity					
	Equity Attributed to the Owner(s) of the Parent Company	Note 6 (14)				
3100	Share capital					
3110	Ordinary share		1,496,648	52.5	1,336,293	53.6
3200	Capital reserves		280,944	9.9	208,360	8.4
3300	Retained earnings					
3310	Legal reserve		261,436	9.2	227,857	9.2
3320	Special reserve		97,417	3.4	97,417	3.9
3350	Unappropriated retained earnings		312,944	11.0	593,505	23.7
3400	Other equity interest					
3410	Exchange differences on translation of foreign financial statements		155	—	3,032	0.1
3420	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		113,095	4.0	(68,323)	(2.7)
3500	Treasury shares	Note 6 (15)	(841,383)	(29.5)	(801,719)	(32.2)
3XXX	Total equity		1,721,256	60.5	1,596,422	64.2
3X2X	Total liabilities and equity		$ 2,852,175	100.0	$ 2,488,796	100.0

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd.
Individual Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousands;
EPS in NTD

Code	Accounting Title	notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	operating revenue	Note 6 (16) & 7	$ 31,977	100.0	$ 28,615	100.0
5000	operating costs	Note 6 (5) & 6 (17) & 7	32,600	101.9	32,694	114.3
5950	Gross profit (loss) from operations		(623)	(1.9)	(4,079)	(14.3)
	Operating expenses					
6100	Selling expenses	Note 6 (17)	819	2.6	959	3.4
6200	Administrative expenses	Note 6 (17) & 7	12,222	38.2	16,887	59.0
6300	Research and development expenses	Note 6 (17)	1	—	4	—
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	Note 6 (4)	(1,057)	(3.3)	(8,563)	(29.9)
6000	Total operating expenses		11,985	37.5	9,287	32.5
6900	Net operating income (loss)		(12,608)	(39.4)	(13,366)	(46.7)
	Non-operating income and expenses					
7100	interest income	Note 6 (18)	173	0.5	50	0.2
7010	other income	Note 6 (19) & 7	6,592	20.6	49,672	173.6
7020	Other gains and losses, net	Note 6 (20)	2,934	9.2	(997)	(3.5)
7050	Finance costs, net	Note 6 (21)	(12,178)	(38.1)	(10,922)	(38.2)
7060	Share of profits and losses of associated enterpr	六(7)	112,657	352.3	144,740	505.8
7000	Total non-operating income and expenses		110,178	344.5	182,543	637.9
7900	Profit (loss) from continuing operations before tax		97,570	305.1	169,177	591.2
7950	Total tax expense (income)	Note 6 (22)	(2,355)	(7.4)	18	0.1
8200	Profit (loss)		95,215	297.8	169,195	591.3
	Other comprehensive income					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income		202,252	632.5	(822,662)	(2,874.9)
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		28,086	87.8	(641,510)	(2,241.9)
			230,338	720.3	(1,464,172)	(5,116.8)
8360	Components of other comprehensive income that will be reclassified to profit or loss					
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss		(2,877)	(9.0)	2,577	9.0
8300	Total other comprehensive income		227,461	711.3	(1,461,595)	(5,107.8)
8500	Total comprehensive income		$ 322,676	1,009.1	$ (1,292,400)	(4,516.5)
	Basic earnings per share					
9750	Total basic earnings per share	Note 6 (23)	$ 1.10		$ 1.17	

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd.

Individual Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	Equity that Belongs to Owner of Parent Company									
	Share capital		Retained earnings			Other equity interest				
	Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Equity related to non-current assets (or disposal groups) classified as held for sale	Treasury shares	Total equity
Jan 1, 2022 balance	$ 1,043,978	$ 60,726	$ 183,771	$ 97,417	$ 698,509	$ 455	$ 1,550,178	$ (10,185)	$ (10,055)	$ 3,614,794
Appropriation and distribution of earnings										
Legal reserve appropriated	—	—	44,086	—	(44,086)	—	—	—	—	—
Cash dividends of ordinary share	—	—	—	—	(104,397)	—	—	—	—	(104,397)
Stock dividends of ordinary share	292,315	—	—	—	(292,315)	—	—	—	—	—
Changes in equity of associates and joint ventures accounted for using equity method	—	(46,607)	—	—	22,455	—	—	—	—	(24,152)
2022 Profit (loss)	—	—	—	—	169,195	—	—	—	—	169,195
2022 Other comprehensive income	—	—	—	—	895	2,577	(1,465,067)	—	—	(1,461,595)
Acquisition of company's share by subsidiaries recognized as treasury share	—	—	—	—	—	—	—	—	(794,949)	(794,949)
Disposal of company's share by subsidiaries recognized as treasury share transactions	—	2,758	—	—	—	—	—	—	3,285	6,043
Adjustments of capital surplus for company's cash dividends received by subsidiaries	—	100,599	—	—	—	—	—	—	—	100,599
Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	—	—	—	143,249	—	(143,249)	—	—	—
Changes in ownership interests in subsidiaries	—	90,884	—	—	—	—	—	—	—	90,884
Others	—	—	—	—	—	—	(10,185)	10,185	—	—
Dec 31, 2022 balance	$ 1,336,293	$ 208,360	$ 227,857	$ 97,417	$ 593,505	$ 3,032	$ (68,323)	$ —	$ (801,719)	$ 1,596,422
Jan 1, 2023 balance	$ 1,336,293	$ 208,360	$ 227,857	$ 97,417	$ 593,505	$ 3,032	-$ 68,323	$ —	$ (801,719)	$ 1,596,422
Appropriation and distribution of earnings										
Legal reserve appropriated	—	—	33,579	—	(33,579)	—	—	—	—	—
Cash dividends of ordinary share	—	—	—	—	(133,629)	—	—	—	—	(133,629)
Stock dividends of ordinary share	160,355	—	—	—	(160,355)	—	—	—	—	—
Changes in equity of associates and joint ventures accounted for using equity method	—	1,864	—	—	(97,133)	—	—	—	—	(95,269)
2023 Profit (loss)	—	—	—	—	95,215	—	—	—	—	95,215
2023 Other comprehensive income	—	—	—	—	501	(2,877)	229,837	—	—	227,461
Acquisition of company's share by subsidiaries recognized as treasury share	—	—	—	—	—	—	—	—	(39,664)	(39,664)
Adjustments of capital surplus for company's cash dividends received by subsidiaries	—	70,720	—	—	—	—	—	—	—	70,720
Disposal of investments in equity instruments designated at fair value through other comprehensive income	—	—	—	—	48,419	—	(48,419)	—	—	—
Dec 31, 2023 balance	$ 1,496,648	$ 280,944	$ 261,436	$ 97,417	$ 312,944	$ 155	$ 113,095	$ —	$ (841,383)	$ 1,721,256

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

Shin Tai Industry Co.,Ltd.
Individual Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NTD thousands

	2023	2022
Cash Flow for Operating Activities		
Profit (loss) before tax	$ 97,570	$ 169,177
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,016	826
Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	(1,057)	(8,563)
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(22)	(12)
Interest expense	12,178	10,922
Interest income	(173)	(50)
Dividend income	(5,480)	(48,479)
Share of loss (profit) of subsidiary companies, associates and joint ventures accounted for using equity method	(112,657)	(144,740)
Loss (gain) on disposal of property, plan and equipment	—	2
Bargain purchase benefits (accounted for as other income)	(3,738)	—
Total adjustments to reconcile profit (loss)	(109,933)	(190,094)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in notes receivable	475	(783)
Decrease (increase) in accounts receivable	164	5,806
Decrease (increase) in other receivable	8	2,154
Adjustments for decrease (increase) in inventories	(279)	1,821
Decrease (increase) in prepayments	96	309
Adjustments for decrease (increase) in other current assets	22	(13)
Increase (decrease) in contract liabilities	—	(242)
Increase (decrease) in accounts payable	(787)	2,959
Increase (decrease) in other payable	2,289	(6,046)
Adjustments for increase (decrease) in other current liabilities	(20)	(256)
Total changes in operating assets and liabilities	1,968	5,709
Total adjustments	(107,965)	(184,385)
Cash inflow (outflow) generated from operations	(10,395)	(15,208)
Interest received	173	50
Interest paid	(11,941)	(10,651)
Income taxes refund (paid)	(5,090)	(1,790)
Net cash flows from (used in) operating activities	(27,253)	(27,599)

(next page)

	2023	2022
Cash flows from (used in) investing activities		
Acquisition of financial assets at fair value through other comprehensive income	(90,003)	(245,240)
Proceeds from disposal of financial assets at fair value through other comprehensive income	144,480	414,334
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	—	17
Obtain investments using the equity method	(34,630)	(784)
Acquisition of real estate, plant and equipment	(209)	(2,152)
Disposal of real estate, plant and equipment	—	12
Disposal of investment real estate price	(424)	—
Obtain equity in subsidiary	(46,050)	—
Restricted assets decrease (increase)	—	3,090
Dividends received	56,881	60,568
Other investment activities	5,000	—
Net cash flows from (used in) investing activities	35,045	229,845
Cash flows from (used in) financing activities		
Decrease in short-term loans	(9,780)	21,000
Decrease in short-term notes and bills payable	(6)	(69,941)
Increase in other payables to related parties	143,772	3,978
long-term borrowing	15,000	—
repay long-term borrowings	(27,000)	(34,000)
Increase (decrease) in deposited margin	(31)	24
Pay cash dividends	(133,629)	(260,994)
Net cash flows from (used in) financing activities	(11,674)	(339,933)
Net increase (decrease) in cash and cash equivalents	(3,882)	(137,687)
Cash and cash equivalents at beginning of period	4,796	142,483
Cash and cash equivalents at end of period	$ 914	$ 4,796

The notes attached are part of this consolidated financial statement.

(Please refer to the auditor's report from SOLOMON & CO., CPAs., dated March 15, 2024 .)

SHINTAI INDUSTRY CO., LTD.

Notes to Financial Statements
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars Unless Otherwise Specified)

1. *Organization*

SHINTAI INDUSTRY CO., LTD. (hereinafter referred to as the Company) was established in November 1972. The Company's main business includes manufacturing, processing, and trading of various feed products for poultry, livestock, and fish; procurement and marketing of raw materials and related products for feed; processing, manufacturing, freezing, refrigerating, packaging, and trading of agricultural, forestry, fishery, and livestock products, by-products, and food; breeding and reproduction of various poultry and livestock, aquaculture of fish, import and reproduction of breeding cattle and pigs, and commissioned breeding test research services; warehouse and labor supply services; import and export trade and agency business for the aforementioned activities on behalf of domestic and foreign manufacturers; grain and food wholesale business, as well as food and beverage retail business. The Company's stock has been listed on the Taiwan Stock Exchange since September 11, 2000.

The Individual financial statements are expressed in functional currency of New Taiwan Dollars for the Company.

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

The accompanying Individual financial statements were approved and authorized for issue by the Board of Directors on March 14, 2024.

3. *Application Of New And Revised International Financial Reporting Standards*

A. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC). The initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have a significant effect on the Company's accounting policies.

Amendment to IAS 12: "International Tax Reform—Pillar Two Model Rules"

This amendment introduces an exception to IAS 12, explicitly stating that the company shall not recognize deferred tax assets and liabilities related to Pillar Two income taxes, nor shall it disclose related information on such deferred tax. However, the company must disclose that it has applied this exception and separately disclose the current income tax expense (income) related to Pillar Two income taxes. Additionally, during the period when the Pillar Two legislation has been enacted or substantively enacted but is not yet effective, the company shall disclose qualitative and quantitative information known or reasonably estimable to help users understand its exposure to Pillar Two income taxes.

Upon issuance, this amendment must be applied immediately and retrospectively to the extent of the exception and disclosure of its application; other disclosure requirements apply to annual reporting periods beginning on or after January 1, 2023, and do not apply to interim financial reports for any interim period ending before December 31, 2023.

B. The International Accounting Standards Board (IASB) has issued and the Financial Supervisory Commission has approved the IFRS accounting standards to be applied in 2024.

Newly Issued/Amended/Revised Standards and Interpretations	IASB Effective Date
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Notes:

1.Unless otherwise specified, the above newly issued/amended/revised standards or interpretations are effective for annual reporting periods beginning on or after the respective dates.

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

3.Certain disclosure requirements are exempted upon the first application of these amendments.

As of the date this consolidated financial report was approved for issuance, the consolidated companies have assessed that the other amendments and interpretations will not have a significant impact on their financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB(Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Revision of IFRS 17.	January 1, 2023
Revision of IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information".	January 1, 2023

Amendment to IAS 21 "Lack of Convertibility" January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new issuance/revision/amendment standards or interpretations shall be effective for annual reporting periods beginning on or after the respective dates mentioned.

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the first application date. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this financial report, the Company is still assessing the impact of the aforementioned revisions of the standards and interpretations on its financial position and performance. Any related impact will be disclosed once the assessment is completed.

4. ***Summary Of Significant Accounting Policies***

The following is an explanation of the main accounting policies adopted in the preparation of this Individual financial report. Unless otherwise stated, these policies have been consistently applied throughout all reporting periods.

I. Follow the statement

This Individual financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards (IFRSs), which have been approved and published by the Financial Supervisory Commission and are effective.

II. Basis of preparation

i. Except for the following significant items, this Individual financial report is prepared on a historical cost basis.

A. Financial assets and liabilities (including derivative instruments) measured at fair value through profit or loss.
B. Financial assets measured at fair value through other comprehensive income.
C. Recognition of the net amount of retirement fund assets and the present value of defined benefit obligations as recognized defined benefit liabilities.

ii. The preparation of Individual financial reports in accordance with the approved IFRSs by the Financial Supervisory Commission requires the use of significant accounting estimates. The application of accounting policies for entities also involves management's judgment, particularly in areas involving high judgment or complexity, or significant assumptions and estimates related to the Individual financial reports. Please refer to Note 5 for further details.

iii. In preparing the individual financial statements, the Company applies the equity method of accounting for investments in subsidiaries, associates, or joint ventures. In order to align the current year's profit, other comprehensive income, and equity in the individual financial statements with the profit, other comprehensive income, and equity attributable to the Company's owners in the consolidated financial statements, adjustments are made for differences arising from accounting treatments between the individual basis and the consolidated basis. These adjustments primarily relate to "Investments accounted for using the equity method," "Share of profit or loss from investments accounted for using the equity method for subsidiaries, associates, and joint ventures," "Share of other comprehensive income from investments accounted for using the equity method for subsidiaries, associates, and joint ventures," and related equity items.

III. Foreign currency

Foreign currency transactions and balances

A. Foreign currency transactions are converted into the functional currency using the spot exchange rate on the transaction date or measurement date.

B. Foreign currency monetary assets and liabilities are revalued at the spot exchange rate on the balance sheet date, and any resulting translation differences from the adjustment are recognized as current gains.

C. Foreign non-monetary items measured at fair value are translated using the exchange rates on the date of determination of fair value. Any resulting exchange differences are recognized as current-year losses. However, if they are part of fair value changes recognized in other comprehensive income, the resulting exchange differences are recognized in other comprehensive income. Foreign non-monetary items measured at historical cost are translated using the exchange rates on the transaction date and are not retranslated thereafter.

IV. Classification of current and non-current items

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

a. The asset is expected to be realized within the normal operating cycle or intended to be sold or consumed.

b. Held primarily for trading purposes.

c. Expected to be realized within twelve months from the balance sheet date.

d. Cash or cash equivalents, excluding those restricted for exchange, settlement of liabilities, or other limitations beyond twelve months from the balance sheet date.

The company classifies all assets that do not meet the above conditions as non-current

B. Liabilities are classified as current liabilities if they meet one of the following conditions; otherwise they are classified as non-current liabilities:
   a. Expected to be settled within the normal operating cycle.
   b. Held primarily for trading purposes.
   c. Required to be settled within twelve months from the balance sheet date, even if long-term refinancing or restructuring agreements have been completed between the balance sheet date and the issuance of financial statements.
   d. Cannot be unconditionally extended beyond at least twelve months from the balance sheet date. The terms of the liability may allow for settlement through the issuance of equity instruments at the option of the counterparty, without affecting its classification.

The company classifies all liabilities that do not meet the above conditions as non-current

V. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits, and highly liquid investments that are readily convertible into known amounts of cash and have insignificant risk of value fluctuations (including term deposits with original maturities of three months or less).

VI. Financial instruments.

Financial assets and financial liabilities should be recognized in the company when they become a party to the contractual terms of a financial instrument.
Financial assets and financial liabilities are initially recognized at fair value when they meet the criteria for classification as financial instruments. Upon initial recognition, the transaction costs directly attributable to the acquisition or issuance of financial assets and financial liabilities (except for financial assets and financial liabilities classified at fair value through profit or loss) are added to or deducted from the fair value of the respective financial asset or financial liability. Transaction costs directly attributable to financial assets and financial liabilities classified at fair value through profit or loss are recognized immediately as expenses.

A. Financial assets

Regular transactions of financial assets are recognized and derecognized based on the transaction date accounting.

(1). Measurement categories.

The types of financial assets held by the company include financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive income.

a. **Financial assets measured at fair value through profit or loss.**

Financial assets measured at fair value through profit or loss include those classified as either mandatorily measured at fair value through profit or loss or designated as such. Mandatorily measured at fair value through profit or loss financial assets encompass equity instrument investments that are not designated as measured at fair value through other comprehensive income, as well as debt instrument investments that do not qualify for classification as measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value, and any resulting gains or losses from dividends, interest, or changes in fair value are recognized in profit or loss. For the determination of fair value, please refer to Note 12(2).

b. **Financial assets measured at amortized cost.**

If an investment in financial assets by the company simultaneously meets the following two conditions, it is classified as financial assets measured at amortized cost:

i. It is held within a particular business model where the objective is to hold the financial asset to collect contractual cash flows.

ii. The contractual terms give rise to cash flows on specific dates, and those cash flows consist entirely of payments of principal and interest on the principal amount outstanding.

c. **Equity instrument investments measured at fair value through other comprehensive income.**

The company has an irrevocable option at initial recognition to designate certain equity instrument investments, which are not held for trading and not acquired in a business combination with a contingent consideration, as measured at fair value through other comprehensive income.

Equity instrument investments measured at fair value through other comprehensive income are initially measured at fair value and subsequent changes in fair value are reported in other comprehensive income and accumulated in other equity. Upon disposal of the investment, the accumulated gains or losses in other equity are directly transferred to retained earnings and are not reclassified to profit or loss.

Dividends on equity instrument investments measured at fair value through other comprehensive income are recognized in profit or loss when the right to receive the dividends is established, unless the dividends represent a recovery of a portion of the investment's cost that was previously recognized in other comprehensive income.

(2). Impairment of financial assets

a. The company recognizes impairment losses on financial assets at amortized cost (including accounts receivable), debt instruments measured at fair value through other comprehensive income, lease receivables, and contract assets, based on expected credit losses at each balance sheet date.
b. Accounts receivable, contract assets, and lease receivables are all subject to impairment losses recognized for expected credit losses over their respective periods of exposure. For other financial assets, an assessment is first made to determine if there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, an allowance for expected credit losses is recognized based on a 12-month expected credit loss. If there has been a significant increase, the allowance for expected credit losses is recognized over the period of exposure.
c. Expected credit losses are determined as a weighted average of credit losses considering the likelihood of default. The 12-month expected credit loss represents the expected credit losses arising from default events that are expected to occur within 12 months after the reporting date. The lifetime expected credit loss represents the expected credit losses arising from all possible default events over the expected lifetime of the financial instrument.
d. Impairment losses for all financial assets are recognized by reducing their carrying amounts through an allowance account. However, impairment losses for debt instruments measured at fair value through other comprehensive income are recognized in other comprehensive income and do not reduce their carrying amounts.

(3). The derecognition of financial assets.

The company derecognizes financial assets when any of the following conditions are met:

a. The right to cash flows from the contractual agreement associated with the financial asset has become ineffective.
b. The contractual rights to receive cash flows from the financial asset have been transferred, and substantially all risks and rewards of ownership of the financial asset have been transferred.
c. Neither the ownership of the financial asset nor the majority of the

risks and rewards associated with the financial asset have been transferred, and control over the financial asset has not been retained.

When financial assets measured at amortized cost are derecognized in their entirety, the difference between their carrying amount and the consideration received is recognized in the profit or loss. When debt instruments measured at fair value through other comprehensive income are derecognized in their entirety, the difference between their carrying amount and the consideration received, adjusted for any accumulated gains or losses recognized in other comprehensive income, is recognized in the profit or loss. When equity instruments measured at fair value through other comprehensive income are derecognized in their entirety, the accumulated gains or losses are directly transferred to retained earnings and are not reclassified as profit or loss.

B. Equity instruments

The debt and equity instruments issued by the company are classified as either financial liabilities or equity instruments based on the contractual agreements and the definition of financial liabilities and equity instruments.

Equity instruments refer to any contracts that recognize the residual interest in the assets of an entity after deducting all its liabilities. The equity instruments issued by our company are recognized at the amount received, net of directly attributable issuance costs.

C. Financial liabilities

(1) Subsequent measurement

Financial liabilities that are not held for trading purposes and are not designated as measured at fair value through profit or loss are measured at amortized cost at the end of each subsequent accounting period.

(2) Derecognition of Financial Liabilities

The financial liabilities of the company are derecognized only when the obligation is discharged, canceled, or expired. When derecognizing financial liabilities, any difference between their carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized as a loss.

VII. Inventory

Inventory is measured at the lower of cost and net realizable value, using the perpetual inventory system. The cost is determined using the weighted average method. The cost of finished goods and work in progress includes materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated based on normal capacity), but excludes borrowing costs.

When comparing cost and net realizable value, the item-by-item comparison method is used. Net realizable value refers to the estimated selling price in the normal course of business, less the estimated costs of completion and related variable selling expenses.

VIII. Non-current assets held for sale

Non-current assets are classified as held for sale when their carrying amount is primarily recoverable through sale rather than through continued use, and when it is highly probable that the sale will occur. Held for sale non-current assets are measured at the lower of their carrying amount and fair value less costs to sell.

IX. Investments Accounted for Using the Equity Method/Subsidiaries and Associates

1. Subsidiaries refer to entities (including structured entities) that are controlled by the Company. The Company controls an entity when it has the ability to direct the variable returns from its involvement with the entity and has the power to affect those returns through its power over the entity.
2. Unrealized gains or losses arising from transactions between the Company and its subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to align with the policies adopted by the Company.
3. The Company recognizes its share of profits from subsidiaries acquired as current-year profit. Its share of other comprehensive income from subsidiaries acquired is recognized as other comprehensive income. If the Company's share of recognized losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize the losses based on its ownership proportion.
4. Changes in the Company's ownership of subsidiaries that do not result in a loss of control (transactions with non-controlling interests) are treated as equity transactions, meaning they are treated as transactions with the owners. Adjustments to non-controlling interests between the fair value of consideration paid or received and the carrying amount are directly recognized as equity.
5. When the Company loses control over a subsidiary, the remaining investment in the former subsidiary is remeasured to fair value and recognized as the fair value of the original financial asset or the cost of the original investment in the associated enterprise or joint venture. The difference between fair value and the carrying amount is recognized as current-year profit. Regarding all amounts previously recognized in other comprehensive income related to the subsidiary, the accounting treatment follows the same basis as when the Company directly disposes of the related assets or liabilities. In other words, if previously recognized gains or losses in other comprehensive income are reclassified as gains or losses

upon disposal of the related assets or liabilities, the same reclassification is made when control over the subsidiary is lost.

6. An associate refers to an entity in which the reporting company has significant influence but not control. Generally, this is indicated by the direct or indirect ownership of more than 20% of the voting rights. Investments in associates by the reporting company are accounted for using the equity method. Under this method, the investment is initially recognized at cost, and subsequently adjusted to reflect the reporting company's share of the associate's profit or loss.
7. The reporting company recognizes its share of profits in the associate as current profits, while other comprehensive income attributable to the associate is recognized as other comprehensive income. If the reporting company's share of losses in an associate equals or exceeds its interest in that associate (including any other unsecured receivables), the reporting company does not recognize any further losses unless it has incurred a legal obligation, a constructive obligation, or has made payments on behalf of the associate.
8. Unrealized gains on transactions between the reporting company and its associate have been eliminated to the extent of the reporting company's interest in the associate unless evidence indicates that the transferred asset has been impaired. Similarly, unrealized losses are also eliminated unless evidence indicates impairment. The accounting policies of the associate have been adjusted as necessary to align with the policies adopted by the reporting company.
9. If the reporting company does not subscribe to or acquire additional shares issued by the associate, resulting in a change in the ownership percentage but still maintaining significant influence, the increase or decrease in equity attributable to the associate's net assets is adjusted in "Capital Surplus" and "Investments accounted for using the equity method". If the change in ownership percentage leads to a decrease, in addition to the aforementioned adjustments, any previously recognized gains or losses related to the corresponding ownership interest that were initially recognized in other comprehensive income are reclassified to gains or losses when disposing of the related assets or liabilities, and the reclassification is based on the decreased ownership percentage, reclassified to gains or losses.
10. When the Company loses significant influence over an associate, the remaining investment in the associate is remeasured to fair value. The difference between fair value and the carrying amount is recognized as a current-year loss.

11. When the reporting company disposes of an associate and loses significant influence over it, the accounting treatment for previously recognized amounts in other comprehensive income related to the associate follows the same basis as the direct disposal of the associated assets or liabilities. In other words, if gains or losses previously recognized in other comprehensive income are reclassified as gains or losses upon the disposal of the related assets or liabilities, they will be reclassified as losses when significant influence over the associate is lost. If the reporting company still maintains significant influence over the associate, the previously recognized amounts in other comprehensive income will be transferred out proportionately based on the ownership percentage using the aforementioned approach.
12. When the Company disposes of an associate and loses significant influence over the associate, any related capital surplus is reclassified as a loss. If the Company still maintains significant influence over the associate, the reclassification of the loss is based on the disposal proportion.
13. According to the "Financial Reporting Standards for Issuers of Securities," the current-year profit and other comprehensive income in the individual financial statements should be allocated to the parent company's owners in the same proportion as in the consolidated financial statements prepared on a basis. The ownership interests in the individual financial statements should be the same as the ownership interests attributable to the parent company's owners in the consolidated financial statements.

X. Property, Plant, and Equipment

1. Property, plant, and equipment are initially recorded at cost, including the capitalization of interest incurred during the construction or acquisition period.
2. Subsequent costs are only included in the carrying amount of an asset or recognized as a separate asset when it is highly probable that the future economic benefits associated with the item will flow to the reporting company, and the cost of the item can be measured reliably. The carrying amount of the replaced part should be derecognized. All other maintenance costs are recognized as expenses in the period in which they are incurred.
3. Land is not subject to depreciation. Other property, plant, and equipment are accounted for using the cost model, and depreciation is recognized using the straight-line method based on the estimated useful lives. At the end of each financial year, the reporting company reviews the residual values, useful lives, and depreciation methods for each asset. If there are significant changes in the expected values of residual value and useful lives compared to previous estimates, or if there are significant changes in the expected

pattern of future economic benefits consumed by the asset, the accounting treatment follows the provisions of International Accounting Standard 8, "Accounting Policies, Changes in Accounting Estimates and Errors," for accounting estimate changes from the date of the change.

The estimated useful lives of the various assets are as follows:

Buildings

Main building of the factory:	2 years to 51 years
Ancillary equipment of the factory:	2 years to 12 years
Machinery equipment:	2 years to 12 years
Other equipment:	2 years to 12 years

4. Property, plant, and equipment are derecognized when they are disposed of or when it is expected that no future economic benefits will be generated from their use or disposal. The gain or loss on the derecognition of property, plant, and equipment is calculated as the difference between the net disposal proceeds and the carrying amount of the asset, and it is recognized in the current period as an expense.

XI. Leases

The reporting company evaluates on the contract inception date whether a contract is, or contains, a lease. For contracts that contain both a lease component and one or more additional lease or non-lease components, the reporting company allocates the consideration in the contract to the lease component and the non-lease component(s) based on the relative standalone prices of each lease component and the aggregated standalone prices of the non-lease component(s).

1. As a lessee, the reporting company enters into lease agreements to obtain the right to use assets.

Apart from leases of low-value assets and short-term leases, which are recognized on a straight-line basis as expenses, the reporting company recognizes the right-of-use assets and lease liabilities for all other leases on the lease commencement date.

<u>Right-of-use assets</u>

The right-of-use assets are initially measured at cost, which includes the lease liability's initial measurement, lease incentives received, directly attributable costs, and estimated costs of restoring the underlying asset. Subsequently, the right-of-use assets are measured at cost less accumulated depreciation and accumulated impairment losses. Additionally, the lease liability is re-measured to reflect any adjustments.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date until the earlier of the end of the asset's useful life or the end of the lease term. However, if ownership of the underlying asset is expected to transfer at the end of the lease term, or if the cost of the right-of-use asset reflects the exercise of a purchase option, depreciation is recognized from the lease commencement date until the end of the asset's useful life.

Lease liabilities

The lease liability is initially measured at the present value of lease payments, which includes fixed payments, variable payments based on an index or rate, and any other lease payments. If the discount rate implicit in the lease is readily determinable, it is used to discount the lease payments. However, if the discount rate is not readily determinable, the lessee uses its incremental borrowing rate, which is the rate the lessee would incur to borrow funds to purchase the leased asset with similar terms and in similar circumstances.

The lease liability is subsequently measured using the effective interest method, which amortizes the liability to its carrying amount. The interest expense is recognized over the lease term. If there are changes in the lease term, assessment of purchase options, expected payments for residual value guarantees, or changes in the index or rate used to determine lease payments that result in a change in future lease payments, the lease liability is remeasured, and the carrying amount of the right-of-use asset is adjusted accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amount is recognized in the income statement as a gain. The lease liability is reported as a single line item in the individual balance sheet.

2. The company acts as a lessor.

If the transfer of substantially all risks and rewards incidental to the ownership of the underlying asset has occurred, the lease is classified as a finance lease. Otherwise, it is classified as an operating lease.

Under finance leases, lease payments include fixed payments, substantially fixed payments, payments based on an index or rate, guaranteed residual value, exercise price of reasonably certain purchase options exercised during the lease term, and lease termination penalties reflected in the lease term. The net investment in leases is calculated as the sum of the present value of lease payments and unguaranteed residual value and is expressed as the net investment in finance leases. The company allocates finance income systematically and on a rational basis over the lease term to reflect a constant periodic rate of return on the net investment in finance leases that the company is expected to obtain.

Under operating leases, lease payments, net of lease incentives, are recognized as lease revenue on a straight-line basis over the lease term. The initial direct costs incurred to obtain an operating lease are added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the recognition of lease revenue.

XII. Investment properties

Investment properties are properties, including those under construction, held for the purpose of earning rental income, capital appreciation, or both. They also include land held for future use, even if the specific use has not yet been determined.

Investment properties are initially measured at cost, including transaction costs. Subsequently, they are measured at cost less accumulated depreciation and accumulated impairment losses. The straight-line method is used by the company to recognize depreciation.

Construction in progress of investment properties is recognized at cost less accumulated impairment losses. The cost includes professional service fees and borrowing costs that meet the capitalization criteria. Depreciation is commenced when the asset reaches its expected useful state.

The profit or loss from the derecognition of investment properties is the difference between the net disposal proceeds and the carrying amount of the asset, and it is recognized in the current profit or loss.

XIII. Non-financial asset impairment

For assets that show indications of impairment, the consolidating company estimates their recoverable amount on the balance sheet date. When the recoverable amount is lower than the carrying value of the asset, an impairment loss is recognized. The recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value in use. If there is no impairment recognized in previous years, a reversal of impairment loss is allowed up to the amount of the previously recognized loss.

XIV. Provisions for Liabilities

A provision for liabilities is recognized when an entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the amount of the obligation can be reliably estimated. The measurement of the provision for liabilities is based on the best estimate of the present value of the outflows required to settle the obligation as of the balance sheet date, using a discount rate that reflects the current market assessment of the time value of money and the specific risks associated with the liability. The amortization of the discount is recognized as interest expense. Future operating losses may not be recognized as provisions for liabilities.

XV. **Employee benefits**

1. Short-term employee benefits

Short-term employee benefits are measured based on the undiscounted amount expected to be paid in non-discounted monetary terms. These benefits are recognized as an expense in the period in which the related services are provided by the employees.

2. Retirement

(1) Defined contribution plan

For a defined contribution plan, the employer recognizes the retirement benefit expense for the current period based on the incurred obligations. The amount to be contributed to the retirement fund is recognized as the current period's retirement benefit cost. Any prepaid contributions are recognized as assets within the scope of being refundable in cash or reducing future benefits.

(2) Defined benefit plan

A. Under a defined benefit plan, the net obligation is determined by discounting the future benefit payments earned by employees for their current or past service. It is calculated by subtracting the fair value of plan assets from the present value of the defined benefit obligation as of the balance sheet date. The net defined benefit liability is calculated annually using the projected unit credit method by an actuary. The discount rate used is determined by referencing the market yield on high-quality corporate bonds that have a currency and term consistent with the plan as of the balance sheet date. In countries where there is no deep market for high-quality corporate bonds, the market yield on government bonds is used.

B. The actuarial gains or losses arising from the remeasurement of the defined benefit plan are recognized in other comprehensive income in the period in which they occur. They are subsequently presented in retained earnings

C. The expenses related to prior service costs are recognized immediately as an expense.

3. Employee and Director /Supervisor Remuneration

Employee and director/supervisor remuneration is recognized as an expense and liability when there is a legal or constructive obligation and the amount can be reasonably estimated. If there are differences between the actual amount distributed and the estimated amount, they are accounted for as accounting estimate changes.

4. Severance benefits
   Severance benefits are provided to employees upon termination of their employment prior to the normal retirement date or when an employee accepts a voluntary offer from the company in exchange for terminating their employment. The recognition of severance benefits by the consolidating company occurs when the offer for severance benefits becomes irrevocable or when the related restructuring costs are recognized, whichever is earlier. Unanticipated severance benefits payable beyond 12 months from the balance sheet date should be discounted to their present value.

XVI. Equity

Common stock is classified as equity as it represents the ownership interest in a company and grants certain rights and benefits to shareholders. On the other hand, the classification of preferred stock depends on the substance of the contractual agreement and the characteristics of the financial liability and equity instruments associated with it. If the preferred stock exhibits the fundamental characteristics of a financial liability, it is classified as a liability. Otherwise, it is classified as equity. When new shares are issued or stock options are exercised, the incremental cost directly attributable to the issuance is deducted from equity as a reduction in proceeds.

XVII. Income tax

1. Income tax expense includes current and deferred income taxes. Except for income tax related to items recognized in other comprehensive income or directly in equity, income tax is recognized in profit or loss.
2. Current income tax is calculated based on taxable income generated by the company using enacted or substantively enacted tax rates as of the balance sheet date. Management assesses the status of income tax filings in accordance with applicable income tax regulations and, when applicable, estimates income tax liabilities based on anticipated tax payments to tax authorities. Additional income tax on undistributed earnings, calculated according to the income tax regulations in our country, is recognized as income tax expense in the subsequent year of the year in which the earnings are generated, after the distribution of actual earnings is approved by the shareholders' meeting.
3. Deferred income tax is recognized using the balance sheet method, based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax liabilities arising from the initial recognition of goodwill are not recognized. If the

deferred income tax arises from transactions (excluding business combinations) involving the initial recognition of assets or liabilities and did not affect accounting profit or taxable income (tax loss) at the time of the transaction, it is not recognized. Temporary differences arising from investments in subsidiaries for which the company has control over the timing of their reversal are recognized, while temporary differences that are unlikely to reverse in the foreseeable future are not recognized. The deferred income tax is measured using enacted or substantively enacted tax rates (and tax laws) expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled, based on the balance sheet date.

4. Deferred income tax assets are recognized for temporary differences, unused tax losses, and unused tax credits to the extent that it is probable that taxable profit will be available against which they can be utilized in the future. They are reassessed at each balance sheet date, both for unrecognized and recognized deferred income tax assets.
5. When there is a legally enforceable right to offset the recognized current income tax assets against the recognized current income tax liabilities, and there is an intention to settle the net amount on a net basis or simultaneously realize the assets and settle the liabilities, the current income tax assets and current income tax liabilities are offset. Similarly, when there is a legally enforceable right to offset the current income tax assets against the current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same tax authority on the same taxable entity, or by different taxable entities but each entity intends to settle the net amount on a net basis or simultaneously realize the assets and settle the liabilities, the deferred income tax assets and liabilities are offset.
6. Tax incentives arising from the acquisition of equipment or technology, research and development expenses, personnel training expenses, and equity investments are accounted for using income tax credits.

XVIII. Revenue recognition

The principles for revenue recognition in individual financial statements, based on customer contracts, are as follows:

1. Identification of the customer contract
2. Identification of the contractual obligations
3. Determination of the transaction price
4. Allocation of the transaction price to the performance obligations in the contract
5. Recognition of revenue when the performance obligations are satisfied

In the case of contracts where the transfer of goods or services and the receipt of consideration occur within a period of 1 year, significant financial components are not adjusted in the transaction price.

1. Sales Revenue from Goods

   Sales revenue from goods refers to the revenue generated from the sale of merchandise or related products. Sales revenue is recognized when control of the goods is transferred to the customer. This is typically when the customer has determined the price, has the right to use the goods, assumes the primary responsibility for resale, and bears the risk of obsolescence. The company recognizes revenue and accounts receivable at that point in time. Any sales returns, quantity discounts, and allowances are deducted to present the net amount.

   When goods are sent for processing, control over the processed products is not transferred, and therefore no revenue is recognized at the time of sending the goods for processing.

2. Dividend Income and Interest Income

(1) Dividend income generated from investments is recognized when the right to receive payment is established for the shareholders. However, this recognition is subject to the condition that there is a high probability of economic benefits associated with the transaction flowing to the consolidating company, and the amount of income can be reliably measured.

(2) Interest income is recognized on an accrual basis over time, based on the passage of time and the applicable effective interest rate on the outstanding principal amount.

XIX. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets until the asset is substantially ready for its intended use or sale, and all or almost all of the necessary activities have been completed.

Investment income earned from temporarily investing specific borrowings prior to the commencement of qualifying capital expenditures is deducted from the borrowing costs eligible for capitalization.

Apart from the aforementioned, all other borrowing costs are recognized as expenses in the period they are incurred.

5. The major sources of significant accounting judgments, estimates, and assumptions uncertainty

The impact of the COVID-19 pandemic on the economy is considered a significant

accounting estimate by the company. The company continuously reviews its underlying assumptions and estimates in light of this situation. If the revision of an estimate only affects the current period, it is recognized in the current period. If the revision of an accounting estimate affects both the current period and future periods, it is recognized in both the current period and future periods.
The following are the significant judgments, key accounting estimates, and assumptions made by the company in the preparation of these Individual financial statements:

A. Significant judgments in accounting policy adoption:

1. **Determination of operating model for classification of financial assets**

   The company determines the operating model for the classification of financial assets based on the level at which they are jointly managed to achieve specific business objectives. This assessment considers all relevant evidence, including the measurement of asset performance, the risks that affect performance, and the determination of compensation for related management personnel. Judgment is applied in this assessment.
   The company continuously evaluates the appropriateness of its operating model determination. As part of this evaluation, it monitors financial assets measured at amortized cost and debt instruments measured at fair value through other comprehensive income, which are classified as held-to-maturity and available-for-sale, respectively, until their respective maturity dates. The company assesses any disposals in light of the objectives of the operating model to determine whether they are consistent with those objectives.
   If a change in the operating model is identified, the company reclassifies financial assets in accordance with the requirements of IFRS 9 and applies the new classification from the date of reclassification.

2. **Revenue recognition.**

   The company determines, in accordance with IFRS 15, whether control of specific goods or services has been obtained or not before transferring them to the customer. If the company is determined to be the principal in the transaction, it recognizes revenue based on the gross amount of the transaction. However, if the company is deemed to be an agent in the transaction, it recognizes revenue based on the net amount of the transaction. This determination is made by assessing the control criteria specified in IFRS 15 and identifying whether the company acts as the principal or the agent in the transaction.
   If any of the following circumstances exist, the company is considered the principal:

(1) Prior to transferring goods or other assets to customers, the company obtains control of the goods or assets from another party.
(2) The company gains control of the rights provided by another party to have the ability to dominate the provision of services to customers on behalf of the company.
(3) The company obtains control over goods or services from another party in order to combine them with other goods or services and provide specific products or services to customers.

To assist in determining whether the company has control over specific goods or services before transferring them to customers, indicators (but not limited to) include:

(1) The company bears primary responsibility for fulfilling the obligation to provide specific goods or services.
(2) The company assumes inventory risk both before and after transferring specific goods or services to customers.
(3) The company has discretion to determine pricing.

B. Significant accounting estimates and assumptions.

1. Revenue recognition

Revenue from the sale of goods is recognized when control of the goods is transferred to the customer, and the company has fulfilled its contractual obligations. It is recognized net of estimated sales returns, discounts, and similar allowances. The estimation of sales returns and allowances is based on historical experience and other known factors, and the company periodically reviews the reasonableness of these estimates.

2. Estimation of impairment for financial assets.

The estimation of impairment for accounts receivable is based on assumptions made by the company regarding default rates and expected loss rates. The company considers historical experience, current market conditions, and forward-looking information to form these assumptions and select input values for impairment assessment. If actual cash flows in the future are lower than expected, it may result in significant impairment losses.

3. Fair value measurement and valuation process.

When assets and liabilities are measured at fair value and there are no active market quotations available, the company determines whether to outsource the valuation and selects appropriate fair value measurement techniques in accordance with relevant regulations or judgment. If it is not possible to obtain Level 1 inputs for estimating fair value, the company may rely on information such as financial analysis of the investee's financial condition and operating results, recent transaction prices, quotations of similar instruments in inactive markets, quotations of similar instruments in active markets, and valuation multiples of comparable companies to determine the inputs. If the actual changes in inputs differ from the expected changes in the future, it may result in changes in fair value. The company periodically updates the inputs based on market conditions to monitor the appropriateness of fair value measurements.

4. **Assessment of impairment for tangible and intangible assets.**
   During the assessment of impairment, the company relies on subjective judgment and considers the asset's usage pattern and industry characteristics to determine the projected future cash flows, asset useful life, and potential revenues and expenses associated with specific asset groups. Any changes in estimates resulting from changes in economic conditions or group strategies may potentially lead to significant impairments in the future.
5. **Assessment of impairment for investments accounted for using the equity method.**
   When there are indications of impairment that suggest an equity-method investment may have a carrying amount that is not recoverable, the company promptly assesses the impairment of that investment. The assessment is based on the discounted value of expected future cash flows from the investee or the discounted value of expected cash dividends and the proceeds from the disposal of the investment, to evaluate the recoverable amount. The company analyzes the reasonableness of the related assumptions in this evaluation.
6. **Realizability of deferred income tax assets.**
   The deferred income tax assets are recognized only when it is probable that there will be sufficient taxable income available in the future against which the temporary differences can be utilized. Assessing the realizability of deferred income tax assets involves significant accounting judgments and estimates by management, including assumptions regarding anticipated future sales revenue growth and profit margins, tax-exempt periods, available tax offsets, tax planning, and other factors. Any changes in the global economic environment, industry conditions, or tax laws may result in significant adjustments to deferred income tax assets.
7. **Valuation of inventory**
   Since inventory is valued at the lower of cost or net realizable value, the company must exercise judgment and make estimates to determine the net realizable value of inventory as of the balance sheet date. The

company evaluates the net realizable value of inventory on the balance sheet date by considering normal wear and tear, obsolescence, or lack of market selling value, and reduces the inventory cost to the net realizable value.

8. **Calculation of net defined benefit liability**

When calculating the present value of defined benefit obligations, the company must exercise judgment and make estimates to determine the relevant actuarial assumptions as of the balance sheet date. These assumptions may include discount rates and future salary increase rates. Any changes in these actuarial assumptions can have a significant impact on the amount of the company's defined benefit obligations.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31,2023	December 31,2022
Cash on hand	$ 150	$ 159
Checking accounts	--	2
Demand deposits	746	4,617
Foreign currency deposit	18	18
Total	$ 914	$ 4,796

A. The financial institutions involved in the merger have a good credit quality, and the company has diversified its credit risk by working with multiple financial institutions, resulting in a very low likelihood of default.

B. The company has not provided any cash or cash equivalents as collateral for pledge.

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

	December 31,2023	December 31,2022
Mutual fund units	$ 500	$ 500
Rating adjustment	(1)	(23)
	499	477

A. The company has not pledged financial assets measured at fair value through profit or loss.

B. For relevant credit risk management and assessment methods, please refer to Note 12(1).

(3) Net Notes Receivables

		December 31,2023		December 31,2022
Measured at Amortized Cost				
Carrying amount	$	2,963	$	2,041
Less: Loss allowance		(251)		(71)
Net Notes receivable	$	2,712	$	1,970

A. The company does not have any instances of pledging the notes receivable as collateral.
B. For disclosures related to the provision for doubtful accounts receivable, please refer to Note 6(4) for details.

(4) Net Accounts Receivables

		December 31,2023		December 31,2022
Measured at Amortized Cost Carrying amount	$	5,082	$	5,196
Less: Loss allowance		(2,620)		(2,322)
Net Accounts receivable	$	2,462	$	2,874
Overdue receivables:				
Carrying amount	$	122,045	$	125,030
Less: Loss allowance		(122,045)		(122,030)
Net overdue receivable	$	—	$	—

A. Accounts receivable of the company that are neither overdue nor impaired comply with the credit standards set based on the industry characteristics, business scale, and profitability of the counterparties. The average credit period is 3-4 months.
B. The company does not have any instances of pledging the accounts receivable as collateral.
C. The company uses a simplified approach to recognize the allowance for expected credit losses on accounts receivable based on the expected credit losses over the remaining period of their existence. The expected credit losses over the remaining period are calculated using a provision matrix, which takes into account factors such as the customer's past default history, current financial condition, industry economic trends, and other relevant forward-looking information. Based on the credit loss history of the company, there is no significant difference in the loss patterns among different customer groups. Therefore, the provision matrix does not further differentiate customer groups, and the expected credit loss rates are determined based on the number of days past due for the accounts receivable.

D. The aging and allowance for accounts receivable (including notes receivable and other receivables) of the company are as follows:

December 31,2023	Expected credit loss rate		Carrying amount		Loss allowance (lifetime expected credit losses)		Amortized cost
Within 90 days	0%~50%	$	7,119	$	(2,610)	$	4,509
91 to 180 days	1%~50%		445		(180)		265
181 to 270 days	15%~50%		--		--		--
271 to 365 days	50%~100%		481		(81)		400
Over 1 year	100%		122,045		(122,045)		—
Total		$	130,090	$	(124,916)	$	5,174

December 31,2022	Expected credit loss rate		Carrying amount		Loss allowance (lifetime expected credit losses)		Amortized cost
Within 90 days	0%~50%	$	7,072	$	(2,350)	$	4,722
91 to 180 days	1%~50%		113		(22)		91
181 to 270 days	15%~50%		—		—		—
271 to 365 days	50%~100%		52		(21)		31
Over 1 year	100%		125,030		(125,030)		—
Total		$	132,267	$	(127,423)	$	4,844

E. Change information of accounts receivable and loss allowance：

		2023		2022
Opening balance	$	127,423	$	135,986
less:unable to recover write-off		(1,450)		--
less: reversal for impairment loss		(1,057)		(8,563)
Ending balance	$	124,916	$	127,423

If there is evidence indicating that the counterparty is facing severe financial difficulties and it is not reasonable to expect the recovery of the outstanding amount, the company directly offsets the related accounts receivable. However, the company continues its collection efforts, and any amounts recovered from the collection activities are recognized as gains. The offsetting of contract amounts against receivables for the year 2023 and from January 1 to December 31, 2022, amounted to NT$1450 thousand and NT$ 0 thousand.

F. For details on credit risk management and evaluation methods, please refer to Note 12 of the financial statements.

(5) Inventory and Cost of Goods Sold

	December 31,2023	December 31,2022
Raw materials	$ 23,194	$ 27,678
Materials	1,508	1,464
Semi-manufactures	564	850
Manufactures	1,073	949
Subtotal	26,339	30,941
Less: allowance for inventory write-down	(25,574)	(30,455)
Net inventories	$ 765	$ 486

A. The inventory-related gains (losses) recognized as cost of goods sold for the current period are as follows:

	2023	2022
Cost of goods sold	$ 36,573	$ 31,715
Inventory impairment and obsolescence losses (reversal of impairment)	(4,881)	(546)
Inventory shrinkage	908	1,525
Total	32,600	32,694

In the years 2023 and 2022, the Company recognized inventory impairment losses (reversal of impairment) of NT$4,881 thousand and NT$546 thousand , respectively, due to the realization of inventory and write-down to the net realizable value.

B. The company does not have any instances of pledging inventory as collateral.

(6) Financial assets measured at fair value through other comprehensive income.

	December 31,2023	December 31,2022
Current:		
Equity Instrument Investments		
Domestic listed and over-the-counter stocks	$ 69,184	$ 89,625
Fair value adjustment.	32,779	19,592
	101,963	109,217

Non-current:		
Equity Instrument Investments		
Unlisted foreign stocks.	1,577	1,577
Domestic unlisted stocks.	8,510	8,225
	10,087	9,802
Fair value adjustment.	3,123	3,123
	13,210	12,925
Total	$ 115,173	$ 122,142

A. The company makes investments in listed and unlisted companies, both domestically and internationally, as part of its medium to long-term strategic objectives, with the expectation of earning long-term returns. However, the management of the company believes that recognizing short-term fair value fluctuations of these investments in profit and loss would be inconsistent with the long-term investment plan mentioned earlier. Therefore, the company chooses to designate these investments as measured at fair value through other comprehensive income.

B. For information on credit risk management and assessment methods, please refer to the explanation provided in Note 12(1).

C. For information regarding financial assets measured at fair value through other comprehensive income provided as collateral, please refer to the explanation provided in Note 8.

(7) **Investments accounted for using the equity method.**

	December 31, 2023	December 31, 2022
Investment in subsidiary	$ 1,425,110	$ 1,139,192
Investment in associate company	1,072,866	978,672
	$ 2,497,976	$ 2,117,864

1. (A) Investment in Subsidiary - Equity Method Investment

	December 31, 2023	December 31, 2022

Invested subsidiary company	carrying amount	percentage of ownership	carrying amount	percentage of ownership
SHIN FONG TRADING CO., LTD	$ 931,965	100.00	$ 819,693	100.00
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	39,559	100.00	36,606	100.00
ANNDING INVESTMENT CO.,LTD	404,544	48.84	282,893	48.84
TAI YU NETWORK & COMMUNICATION INC.	49,042	60.00	--	--
	$ 1,425,110		$ 1,139,192	

(B) Investment in Subsidiaries - Loans under Equity Method

	December 31,2023		December 31,2022	
Invested subsidiary company	carrying amount	percentage of ownership	carrying amount	percentage of ownership
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	$ (90,140)	36.21	$ (69,362)	36.21
TONG ANN CHEMICALS CO., LTD.	(277,089)	39.16	(177,416)	39.16
	$ (367,229)		$ 246,778	

(1) The long-term equity investments evaluated using the equity method and their related investment gains or losses are calculated based on the audited financial statements of the investee company for the same period as certified by the auditor.

(2) On November 10, 2023, the Company's board of directors resolved to acquire 3,000,000 shares of TAI YU NETWORK & COMMUNICATION INC., Ltd. through a cash capital increase, thereby obtaining control.

(3) Due to the control held over Mei Ann Biochemical Technology Co., Ltd. and Tong Ann Chemicals Co., Ltd., the holdings of the subsidiary companies in the shares of the parent company are treated as treasury stock adjustments. However, the cost of acquiring the parent company's shares by these subsidiary companies exceeds the carrying amount of the equity method investment, resulting in a loan under the equity method of investment.

2. Affiliated Companies:

Investment company	December 31,2023	December 31,2022
ANDA INVESTMENT CO.,LTD	309,272	281,354
GENESIS TECHNOLOGY INC	313,511	286,174

FORMOSA OILSEED PROCESSING CO,LTD	450,083	411,144
	$ 1,072,866	$ 978,672

Investment Company	Shareholding Ratio December 31,2023	December 31,2022
ANDA INVESTMENT CO.,LTD	47.79%	47.79%
GENESIS TECHNOLOGY INC.	9.74%	9.77%
FORMOSA OILSEED PROCESSING CO,LTD	11.35%	11.10%

Please refer to Schedule 4 of Note 13 for the business nature, main business location, and country of registration of the above-mentioned affiliated companies.

The summarized financial information of significant affiliated companies of the company is as follows:

	December 31,2023	December 31,2022
Total Assets	$13,071,984	$12,791,519
Total Liabilities	6,384,038	6,604,866
Net Assets	$6,687,946	$6,186,653

	2023	2022
Operating Revenue	$15,302,488	$15,883,786
Net Income	$710,960	$788,075
Equity Method-Recognized Affiliates Share of Profits or Losses of the Company	$92,500	$74,669

(1) The investment in affiliated companies and the Company's share of their profits and other comprehensive income are determined based on the equity method, using the financial statements of the investee company that have been audited by certified public accountants during the same period.

(2) Due to the execution of stock option conversions by employees of GENESIS Technology INC., in 2023, the Company's shareholding ratio decreased to 9.74% by the end of the period.

(3) Starting from January 2023, the Company gradually purchased 542,000 shares of Formosa Oils & Fats Co., Ltd. in the centralized market, increasing the shareholding ratio to 11.35% by the end of the period.

(4) The Company's investment in GENESIS TECHNOLOGY INC., which is publicly

traded, had fair values of NT$1,426,050 thousand and NT$1,401,356 thousand as of December 31, 2023 and December 31, 2022, respectively.

(5) The Company's investment in Formosa Oilseed Processing Co., Ltd., which is publicly traded, had a fair value of NT$632,675 thousand and NT$415,244 thousand as of December 31, 2023 and December 31, 2022, respectively.

3. For transactions with related parties, please refer to the explanation provided in Note 7.
4. For information on investments provided with guarantees by the company under the equity method, please refer to the explanation provided in Note 8.

(8) Real Estate, Plant, and Equipment

	Land	Buildings	Equipment	Other Equipment (Note)	Construction in Progress and Equipment under Inspection	Total
Cost						
At January 1,2023	$162,099	$66,357	$201,806	$17,668	$ —	$447,930
Additions	—	—	209	--	—	209
Disposals	—	—	—	--	—	--
Rearrange	—	—	—	—	—	—
At December 31,2023	$162,099	$66,357	$202,015	$17,668	$ —	$448,139
Accumulated Depreciation						
At January 1,2023	$ —	$65,230	$196,847	$13,956	$ —	$276,033
Depreciation	—	209	66	597	—	872
Disposals	—	—	—	--	—	--
At December 31,2023	$ —	$65,439	$196,913	$14,553	$ —	$276,905

	Land	Buildings	Equipment	Other Equipment (Note)	Construction in Progress and Equipment under Inspection	Total
Cost						
At January 1,2022	$162,099	$66,357	$201,806	$16,052		$446,314
Additions	—	—	—	2,152	--	2,152
Disposals	—	—	—	(536)	—	(536)
Reclassifications	—	—	—	--	--	--
At December 31,2022	$162,099	$66,357	$201,806	$17,668	$ —	$447,930
Accumulated						

Depreciation						
At January 1,2022	$ —	$64, 990	$196, 792	$14, 164	$ —	$275, 946
Depreciation	—	240	55	314	—	609
Disposals	—	—	—	(522)	—	(522)
At December 31,2022	$ —	$65, 230	$196, 847	$13, 956	$ —	$276, 033

(Note) Including transportation equipment and other equipment.

For information on real estate, plants, and equipment provided as collateral, please refer to Note 8 for details.

(9) Investment Properties

	Land	Buildings and Equipment	Total
Cost			
At January 1,2023	$53, 202	$4, 225	$57, 427
Additions	512	—	—
At December 31,2023	$53, 174	$4, 225	$57, 939
Accumulated Depreciation and Impairment			
At January 1,2023	$ —	$3, 500	$3, 500
Depreciation	—	144	144
At December 31,2023	$ —	$3, 644	$3, 644

	Land	Buildings and Equipment	Total
Cost			
At January 1,2022	$53, 202	$4, 225	$57, 427
Additions	--	—	--
At December 31,2022	$53, 202	$4, 225	$57, 427
Accumulated Depreciation and Impairment			
At January 1,2022	$ —	$3, 283	$3, 283

Depreciation	—	217	217
At December 31,2022	$ —	$3, 500	$3, 500

1. Rental Income and Direct Operating Expenses of Investment Properties:

Item	2023	2022
Rental Income from Investment Properties	$112	$34
Direct Operating Expenses incurred by Investment Properties generating rental income in the current period	$59	$59
Direct Operating Expenses incurred by Investment Properties not generating rental income in the current period	$86	$158

2. The investment properties of the company are located in areas where transactions are infrequent and reliable estimates of alternative fair values cannot be obtained, thus making it unreliable to determine fair value.

3. The company has not pledged the investment properties as collateral.

(10) Short-term Loans

Item	December 31,2023	December 31,2022
Collateralized Loans	$82, 500	$92, 280
Interest Rate Range	2. 87%	2. 63%~2. 83%

For information on the collateral for short-term borrowings, please refer to Notes 7 and 8 for details

(11) Short-term Commercial Paper Payable

Item	December 31,2023	December 31,2022
Commercial Paper Payable	$30, 000	$30, 000
Less: Unamortized Discount	(25)	(19)
Net Amount	$29, 975	$29, 981
Interest Rate Range	2. 83%	2. 67%

For information on the collateral for short-term commercial paper payable, please refer to Note 8 for details.

(12) Long-term loans

Item	December 31,2023	Interest Rate Range	Maturity Date
Collateralized Loans	$35, 240	2. 50%	113. 02～113. 10
Mortgage Loans	371, 000	2. 22%	115. 05
	406, 240		
Less: Current portion of long-term loans payable	(47, 240)		
Long-term debt payable	$359, 000		

Item	December 31,2022	Interest Rate Range	Maturity Date
Collateralized Loans	$35, 240	2. 50%	112. 04～113. 03
Mortgage Loans	383, 000	1. 98%	115. 05
	418, 240		
Less: Current portion of long-term loans payable	(27, 000)		
Long-term debt payable	$391, 240		

For collateral for long-term bank borrowings, please refer to Note 8.

(13) Pension Liabilities

1. Defined Contribution Plan

(1) The pension system applicable to the company is a defined contribution pension plan under the "Labor Retirement Pension Act," which is a government-managed plan. Employees contribute 6% of their monthly salary towards their retirement pension to individual accounts at the Labor Insurance Bureau.

(2) In 2023 and 2022, the company recognized expenses totaling NT$321 thousand and NT$351 thousand, respectively, in accordance with the specified contribution rates in the defined contribution plan as stated in the comprehensive income statement.

2. Defined Benefit Plan

(1) The pension system applicable to the company is a defined benefit retirement plan under the "Labor Standards Act" of Taiwan, which is a government-managed plan. The payment of employee retirement benefits is calculated based on years of service and the average salary for the six months prior to the approved retirement date. The company contributes 15% of the total monthly salary of employees towards the employee retirement fund, which is deposited into a designated account at a Taiwan bank in the name of the Labor Pension Reserve Supervisory Commission. Before the end of each fiscal year, if it is estimated that the balance in the account is insufficient to

cover the estimated retirement benefits for eligible employees in the following year, the shortfall will be fully allocated by the end of March of the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor, and the company has no authority over the investment management strategy.

(2) The company recognizes the obligation arising from the defined benefit plan as follows in the balance sheet:

Item	December 31,2023	December 31,2022
Present value of defined benefit obligation	$ —	$ —
Fair value of plan assets	(115)	(115)
Net defined benefit liability (asset)	$ (115)	$ (115)

(3) There was no increase or decrease in net defined benefit liabilities (assets) in 2023 and 2022.

(4) Due to the settlement of employee old-system pension in the fiscal year 2020, the company has already cleared the retirement fund and generated a settlement gain of NT$67 thousand. Therefore, no pension contributions are expected to be allocated to the retirement plan in the fiscal years 2023 and 2022.

(14) Common Stock Capital

1. common stock capital

The adjustments for the number and value of common shares outstanding at the beginning and end of the period are as follows:

	2023		2022	
	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount
January 1	133, 629	$1, 336, 293	104, 398	$1, 043, 978
Capitalization of retained earnings	16, 036	160, 355	29,231	292,315
December 31	149, 665	$1, 496, 648	133, 629	$1, 336, 293

2. Capital Surplus

According to the Company Law, the surplus from issuing shares above their par value and the capital surplus from receiving donations can be used to offset losses or be distributed to shareholders in the form of new shares or cash, proportionate to their existing shareholdings, provided that the company does not have accumulated losses. Additionally, according to relevant provisions of the Securities and Exchange Act, the total amount allocated from the capital surplus to the capital should not exceed 10% of the paid-in capital in any given year. The capital surplus cannot be used to compensate for capital deficits if the retained earnings are insufficient. Capital surplus generated from investments accounted for under the equity method cannot be used for any purpose.

Item	December 31,2023	December 31,2022
Stock Issuance Premium	$26,793	$26,793
Changes in Equity of Associated Companies and Joint Ventures under Equity Method	159,096	159,232
Treasury Stock Transactions	94,986	24,266
Others	69	69
Total	$280,944	$208,360

3. Retained Earnings and Dividend Policy

In the annual financial statements of the company, if there is a profit, the company should first pay taxes and offset any accumulated losses. Next, 10% of the profit should be allocated to the statutory reserve until it reaches the amount equal to the company's paid-in capital. Additionally, the company may allocate or reverse special reserves based on operational needs and legal requirements. If there is still a remaining balance after these allocations, along with the undistributed profit from the beginning of the period, the Board of Directors will propose a profit distribution plan to be approved by the shareholders' meeting.

The dividend policy of the company is determined in accordance with current and future development plans, considering the investment environment, capital requirements, and shareholder interests. However, when the accumulated distributable earnings are lower than 5% of the paid-in capital, the company may choose not to distribute dividends. When distributing dividends to shareholders, it can be done in the form of cash or stock.

1. **statutory reserve**

The statutory reserve can only be used to offset company losses or be allocated to issue new shares or as cash dividends to shareholders based on their existing shareholding proportions. It cannot be used for other purposes. If the reserve is used for issuing new shares or cash dividends, it is limited to the portion exceeding 25% of the paid-in capital.

2. **Special Reserves**

In accordance with relevant laws and regulations, the company should allocate a special reserve equivalent to the amount recorded as a deduction from shareholders' equity for the current year before distributing earnings. Earnings cannot be distributed until the amount of the deduction from shareholders' equity is reversed, at which point the reversed portion can be distributed.

The company allocates and reverses the special reserve in accordance with Order No. 1090150022 issued by the Financial Supervisory Commission and the "Questions and Answers on the Application of Special Reserve Allocation after Adopting International Financial Reporting Standards (IFRSs)."

3. **Earnings distribution**

The company has approved the distribution of earnings for the fiscal year 2022 and 2021 at the shareholders' meetings held on June 20, 2023 and July 16, 2022, respectively. The dividends per share for each distribution are as follows:

	Dividend Distribution		Dividends per Share (NTD)	
Item	2022	2021	2022	2021
Legal Reserves	$33,579	$44,086		
Cash Dividends (Common Shares)	133,629	104,397	1	1
Stock Dividends (Common Shares)	160,355	292,315	1.2	2.8
Total	$327,563	$440,798		

4. Regarding the proposed distribution of earnings by the Board of Directors and the resolutions made by the shareholders' meeting, please refer to the "Public Information Observation System" of the Taiwan Stock Exchange for details.

4. Other Equity Items

Item	Foreign Currency Translation Differences	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Equity Related to Assets Held for Sale	Total
At January 1,2023	$3,032	$(68,323)	$ --	$(65,291)
Financial Assets at Fair Value through Other Comprehensive Income				
- Unrealized (Loss) Gain	--	202,252	--	202,252
-Unrealized (Loss) Gain Reclassified to Retained Earnings	—	(34,321)	—	(34,321)
Financial Assets Measured at Fair Value through Other Comprehensive Income using Equity Method				
- Unrealized (Loss) Gain	--	27,585	--	27,585
-Unrealized (Loss) Gain Reclassified to Retained Earnings	—	(14,098)	—	(14,098)
Foreign Currency Translation Differences for Financial Statements of Foreign Operations using Equity Method	(2,877)	--	—	(2,877)
At December 31,2023	$155	$ 113,095	$ —	$ 113,250

Item	Foreign Currency Translation Differences	Unrealized (Loss) Gain on Financial Assets at Fair Value through Other Comprehensive Income	Equity Related to Assets Held for Sale	Total
At January 1,2022	$ 455	$1,550,178	$ (10,185)	$1,540,448
Financial Assets at Fair Value through Other Comprehensive Income				
- Unrealized (Loss) Gain	—	(822,662)	—	(822,662)
-Unrealized (Loss) Gain Reclassified to Retained Earnings	—	(143,249)	—	(143,249)
Financial Assets Measured at Fair Value through Other Comprehensive Income using Equity Method	2,577	(642,405)	--	639,828
Non-current assets for sale directly related to Equity transfer	--	(10,185)	10,185	--
At December 31,2022	$3,032	$(68,323)	$ --	$65,291

(15) Treasury Stock

1. The changes in the subsidiary's holdings of the company's own stock are as follows:

2023

Unit: Thousand shares

Item	Beginning Quantity	Increase (Decrease)	Ending Quantity
Subsidiary's Holdings of Parent Company Stock	100,766	12,461	113,227

2022

Unit: Thousand shares

Item	Beginning Quantity	Increase (Decrease)	Ending Quantity
Subsidiary's Holdings of Parent Company Stock	3,409	97,357	100,766

2. The market price per share of the company's stock held by subsidiaries as of December 31, 2023and December 31, 2022, was 78.3 NT dollars and 68.9 NT dollars, respectively. The company treats the shares held by subsidiaries as treasury stock and retains the right to receive dividends.

3. The situation of each subsidiary holding shares of the Company, please refer to Schedule 2 and 4.

(16) Operating Revenue

Item	2023	2022
Revenue from customer contracts		
Sales revenue	$32,030	$28,872
Sales returns	(43)	(87)
Sales allowances	(10)	(170)
Subtotal of revenue from feed business	$31,977	$28,615

1. Explanation of revenue from customer contracts: This refers to the sales revenue of agricultural products, primarily targeting domestic downstream manufacturers, and is sold at contractually agreed prices. Revenue is recognized at the point in time when contractual obligations are satisfied.
2. Contract balances: The company recognizes accounts receivable, contract assets, and contract liabilities related to revenue from customer contracts as follows:

	December 31, 2023	December 31, 2022
Accounts receivable	$5,174	$4,844
Contract assets	—	—
Total	$5,174	$4,844
Contract liabilities - current	$ —	$--

(17) Employee Benefits, Depreciation, Depletion, and Amortization Expenses

	2023		
	Included in Operating Costs	Included in Operating Expenses	Total
Employee Benefits Expenses			
Salary Expenses	$1,921	$4,932	$6,853
Labor and Health Insurance Expenses	266	621	887
Retirement Benefit Expenses	118	203	321
Director Remuneration	—	2,000	2,000
Other Employee Benefits Expenses	114	355	469
Depreciation Expenses	274	742	1,016
Total	$2,693	$8,853	$11,546

2022

	Included in Operating Costs	Included in Operating Expenses	Total
Employee Benefits Expenses			
Salary Expenses	$1,910	$6,522	$8,432
Labor and Health Insurance Expenses	271	608	879
Retirement Benefit Expenses	125	226	351
Director Remuneration	—	3,500	3,500
Other Employee Benefits Expenses	45	281	326
Depreciation Expenses	296	530	826
Total	$2,647	$11,667	$14,314

1. The additional information regarding the number of employees and employee benefit expenses for the Company in the years 2023 and 2022 is as follows:

Item	December 31,2023	December 31,2022
Number of Employees	23	24
Number of Non-Executive Directors who are not employees	5	5
Average Employee Benefit Expenses	$ 474	$ 526
Average Employee Salary Expenses	$ 381	$ 444
Variations in Average Employee Benefit Expenses Adjustments	(9.89%)	6.91%
Remuneration of Supervisors	$ —	$ —

2. The company's compensation policy for salary rewards (including directors, executives, and employees) is as follows:
   (1) Director and Supervisor Compensation

   According to the company's bylaws, the company's directors and supervisors' car allowances, related allowances, and remuneration are authorized by the Board of Directors based on their level of involvement and contribution to the company's operations, taking into account the industry's customary standards. The remuneration is reviewed by the Remuneration Committee and submitted to the Board of Directors for approval. The bylaws also stipulate that the total director and supervisor remuneration shall not exceed 5% of the annual profit.

   (2) Executive Compensation

The remuneration for the company's executives is determined based on their positions, contributions, the company's annual business performance, and considering future risks, as reviewed by the Remuneration Committee and approved by the Board of Directors.

(3) Employee Compensation

The company strives to provide employees with competitive and comprehensive compensation and benefits that are at the industry average level. Taking into account external competitiveness, internal fairness, and legality, the company has implemented a diversified and competitive compensation system. It adheres to the principle of sharing profits with employees and aims to attract, retain, develop, and motivate employees. Employee compensation includes monthly salaries, performance bonuses based on the annual profit situation, and employee benefits. The company's bylaws specify that 1% to 5% of the annual profit is allocated for employee benefits.

3. The company allocates employee benefits and director/supervisor remuneration based on the current year's pre-tax profits, after deducting the distribution to employees and director/supervisor remuneration. The allocation is set at no less than 1% to 5% for employee benefits and not exceeding 5% for director/supervisor remuneration. The estimated provisions for employee benefits and director/supervisor remuneration for the period from January 1 to December 31 of 2023 and 2022 are as follows:

	2023	2022
Employee Benefits	\$1,400	\$2,400
Director/Supervisor Remuneration	\$2,000	\$3,500

If there are any changes in the cash amounts after the issuance date of the annual financial report, they will be adjusted and recorded in the following year's financial statements based on accounting estimates.

4. The following amounts for employee compensation and director remuneration for the years 2022 and 2021 were approved by the Board of Directors on April 24, 2023, and March 28, 2022, respectively, and recognized in the financial reports:

	2022	2021
Employee Benefits	\$2,400	\$2,400
Director/Supervisor Remuneration	\$3,500	\$3,500

The actual amounts distributed for employee compensation and director remuneration for the years 2022 and 2021 differ from the amounts recognized in the individual financial statements for those years. This difference primarily arises from considerations of operational fund allocation. The Company will gradually distribute these amounts in the year 2023.

5. The above-mentioned information regarding employee compensation and director remuneration can be obtained from the Public Information Observation System for public access.

(18) Interest Income

	2023	2022
Interest Income		
Bank Deposit Interest	$22	$8
Reversal of estimated income tax installment payment interest	151	--
Court Allocation	--	42
Total	$173	$50

(19) Other Income

	2023	2022
Rental Income	$160	$249
Dividend Income	5,480	48,479
Other	952	944
Total	$6,592	$49,672

(20) Other Gains and Losses

	2023	2022
Financial assets measured at fair value through profit or loss	$22	$ 12
Gain/(Loss) on disposal of property, plant, and equipment	--	(2)
Net foreign exchange gain/(loss)	--	147
Buying Benefits at a Cheap	3,738	--
Other losses	(826)	(1,154)
Total	$ 2,934	$ (997)

(21) Financial Costs

	2023	2022
Interest on Bank Borrowings	$12,178	$10,922

(22) Income Tax

1. Components of Income Tax Expense

	2023	2022
Current Income Tax:		
Income Tax Generated in the Current Year	$—	$—
Surcharge on Undistributed Earnings	411	3
Adjustment for Prior Year's Income	852	--
Total Current Income Tax	1,263	3
Deferred Income Tax:		
Origin and Reversal of Temporary Differences	1,092	(21)
Income Tax Expense (Benefit)	$2,355	$(18)

2. Income Tax Recognized in Equity

	2023	2022
Current Income Tax:		
Disposal of equity investments measured at fair value through other comprehensive income	$--	$5,139
The adjustment of prior-year income tax	1,754	4,788
The income tax recognized directly in equity	$1,754	$9,927

3. Adjustment between Accounting Profit and Current Income Tax Expense:

	2023	2022
The tax amount calculated based on the statutory tax rate for the pre-tax net profit	$19,514	$33,835
Adjustments for items not included in taxable income calculation:		
Exempted income	(589)	(9,001)
Equity method investment income	(22,531)	(28,948)
Other	3,606	4,114
Subtotal of general tax amount	—	—
Difference between general tax amount and basic tax	--	--

amount		
Additional tax for undistributed earnings	411	3
Adjustment for prior-year income tax	852	--
Net changes in deferred income tax	1,092	(21)
Income tax expense recognized in the income statement	$2,355	$(18)

4. Deferred Income Tax Assets or Liabilities arising from Temporary Differences, Losses Carried Forward, and Investment Tax Credits:

	2023			
	Beginning Balance	Recognized in Income	Recognized in Other Comprehensive Income	Ending Balance
Deferred Income Tax Assets:				
Temporary Differences				
Unrealized Inventory Obsolescence and Decline in Value	6,200	(1,085)	—	$5,115
Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss	7	(7)	—	--
Unrealized Exchange Losses	(29)	--	—	(29)
Unrealized Obsolescence and Decline in Value of Supplies and Inventories	60	--	—	60
	$6,238	$(1,092)	$ —	$5,146
Deferred Income Tax Liabilities:				
Temporary Differences:				
Land Value Tax	$ (54,280)	$ —	$ —	$ (54,280)
Net Defined Benefit Assets	(23)	—	—	(23)
	$ (54,303)	$ —	$ —	$ (54,303)

	2022			
	Beginning Balance	Recognized in Income	Recognized in Other Comprehensive Income	Ending Balance
Deferred Income Tax Assets:				
Temporary Differences				
Unrealized Inventory Obsolescence and Decline in Value	$6,200	$--	$ —	$6,200
Unrealized Gains/Losses on Financial Assets at Fair Value through Profit or Loss	9	(2)	—	7
Unrealized Exchange Losses	8	(37)	—	(29)
Losses due to sluggish inventory of unrealized supplies and falling prices	--	60	—	60
	$6,217	$21	$ —	$6,238

Deferred Income Tax Liabilities:				
Temporary Differences				
Land Value Tax	$ (54,280)	$ —	$ —	$ (54,280)
Net Defined Benefit Assets	(23)	—	—	(23)
	$ (54,303)	$ —	$ —	$ (54,303)

5. Items not recognized as deferred income tax assets

	December 31,2023	December 31,2022
Loss Carryforwards	$17,497	$17,497
Temporary Differences	—	—
Total	$17,497	$17,497

6. The company's income tax for the business operations has been assessed by the tax authorities up to the year 2020. However, there is a disagreement with the assessment result for the year 2020, and administrative recourse is currently in progress.

(23) Basic Earnings per Share (EPS)

	2023	2022
Basic Earnings per Share (EPS):		
Net income for the period (A)	$95,215	$169,195
Beginning Issued Shares (in thousands)	133,629	104,398
Treasury Stock - Subsidiary Holding Parent Company Shares	(63,011)	(4,509)
Bonus Shares - Retroactively Calculated for 2021 Fiscal Year	--	29,231
Bonus Shares - Retroactively Calculated for 2022 Fiscal Year	16,036	16,036
Weighted Average Number of Outstanding Shares (in thousands) (B)	86,654	145,156
Earnings per Share (EPS) (after tax)(A/B)	$1.1	$1.17

7. Related Party Transactions

1. Names of Related Parties and Relationships:

Related Parties	Relationship Type
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	Subsidiary
SHIN FONG TRADING CO., LTD.	Subsidiary
ANNDING INVESTMENT CO.,LTD	Subsidiary
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Subsidiary
TONG ANN CHEMICALS CO., LTD.	Subsidiary
ANDA INVESTMENT CO.,LTD	Related Party
FORMOSA OILSEED PROCESSING CO,LTD	Related Party
TOP FOOD INDUSTRY CORPORATION	Other Related Party
Anhe Investment Holdings (Stock) Company	Other Related Party
Andaxin Investment (Stock) Company	Other Related Party
Wu Jinquan	Key Management Personnel
Lin Yueting	Other Related Party

Wu Xingcheng	Other Related Party
Qin Huiru	Other Related Party

2. Significant Transactions with Related Parties:

(1). Operating Revenues

Related Party	2023	2022
Subsidiary	$6	$10

The selling prices of the Company are not significantly different from those of regular customers, and the payment terms are comparable to those of regular customers.

(2). Purchases

Related Party	2023	2022
TOP FOOD INDUSTRY CORPORATION	$4,725	$4,050
Subsidiary	--	23
Total	$4,725	$4,073

The company purchases from other related parties at prices based on prevailing market rates and payment terms that are comparable to those of regular suppliers.

(3). Payables to Related Parties (excluding loans from related parties)

Account Item	Related Party Type	December 31, 2023	December 31, 2022
Accounts Payable	Subsidiary	$8	$--
	Other Related Party	1,616	1,413
		1,624	1,413

(4). Advance Payments

Account Item	Related Party Type	2023	2022
Other Current Liabilities	Subsidiary	$32	$32

(5). Property Transactions

Disposal of Equity

As of the end of December 2023 the amounts of prepaid consideration related to the sale of a 5% stake in Annding Investment CO.,LTD and Anda Investment CO.,LTD, as agreed in the contract signed in November 2020, totaling NT$88,913 thousand (Note), are as follows:

Relationship Category	Transaction Subject	Sale Price (Note)	Prepaid Consideration (Recorded under Other Current Liabilities)
Anhe Investment Holdings (Stock) Company	900 million shares of Anda Investment CO.,LTD	$32,607	$3,172
Andaxin Investment (Stock) Company	3,765 million shares of Annding Investment CO.,LD	56,306	5,478
	Total	$88,913	$8,650

The stock transaction prices mentioned above are primarily determined through negotiation between the parties involved, taking into consideration the net value per share of the investee company.

Note : these prices are the net amounts after deducting securities transaction tax.

The company entered into an agreement in November 2020 to sell 5% of its holdings in both Annding and Anda Investment CO.,LTD. The related assets and liabilities were reclassified as held for sale non-current assets. However, as of December 31, 2022, which is more than two years since the agreement and the buyer has not yet fulfilled their obligations, the company intends to cease classifying them as held for sale non-current assets in accordance with International Financial Reporting Standards (IFRS) 5.

(6). Borrowings from Related Parties

a. Year-end balance

Related Party	2023	2022
Key Management Personnel	$99,320	$ --
Subsidiary	48,510	4,058
	$147,830	$4,058

(7).Other

a. Various expenses

Related Party Category/Name	2023	2022
Other related parties	$ 22	$ --

The expenses related to consumables and are incurred by the company.

b. Rental income

Related Party Category/Name	2023	2022
Subsidiary	$ 48	$ 48

C.As of December 31, 2023nd 2022affiliated enterprise Anding Investment (Co., Ltd.) and key management Wu Jinquan provided securities as guarantee for the company's borrowings.

3. Executive Compensation Information:

Item	2023	2022
Salaries and Other Short-term Employee Benefits	$3,029	$5,080
Post-employment Benefits	53	54
Total	$3,082	$5,134

8. ***Pledged Assets:***

The following assets have been provided as collateral for various loans and performance guarantees:

Item	December 31,2023	December 31,2022
Financial assets at fair value through other comprehensive income - Current	$--	$61,875
Investments accounted for using the equity method	522,182	1,633,820
Property, plant, and equipment	160,660	161,785
through other comprehensive income - Non Current	--	5,000
Total	$682,842	$455,309

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments:

A. As of December 31, 2023and December 31, 2022 the company received promissory notes totaling 1,800 million.

B. Lawsuit Explanation:

1.There is a damage compensation case between the company and Mr. Lin. The case has already been ruled by the appellate court, and the judgment is as follows:

a. The original judgment, which ordered the company to pay more than 3,150 million in principal, interest, and litigation costs, has been overturned.

b. The litigation costs of the first and appellate court are to be borne by the company, covering three-tenths, and the remaining amount will be borne by Mr. Lin. Both the company and Mr. Lin are dissatisfied with the ruling and have filed further appeals against their respective losses. The case is currently being reviewed by the Supreme Court.

2. A poultry farm operator has filed a civil lawsuit against the Company claiming damages amounting to NT$7,022 thousand. The case is currently under review by the Supreme Court.

10. Significant Disaster Losses: None.

11. Subsequent Events of Significance: None.

12. Others

I. Capital Risk Management

In order to support expansion and improvement of facilities and equipment, the company needs to maintain sufficient capital. Therefore, capital management of the company aims to ensure the availability of necessary financial resources and operating plans to meet the future 12-month requirements for operating funds, capital expenditures, and debt repayments.

II. Financial Instruments

1. Financial Risk of Financial Instruments

Financial Risk Management Policy

The company's daily operations are subject to various financial risks, including market risk (including foreign exchange risk, price risk, and interest rate risk), credit risk, and liquidity risk. To mitigate these financial risks, the company focuses on identifying, evaluating, and mitigating market uncertainties to reduce the potential adverse impact of market fluctuations on the financial performance of the group.

The company's significant financial activities are subject to review and approval by the board of directors in accordance with relevant regulations and internal control systems. During the execution of financial plans, the company must adhere to the established financial operational procedures concerning overall financial risk management and delineation of responsibilities.

(1) Market Risk

A. Foreign Exchange Risk

(A) Because the company holds some foreign currency assets and liabilities, it is exposed to the risk of foreign currency exchange rate fluctuations.

(B) Foreign Exchange Exposure and Sensitivity Analysis.

			December 31,2023			
			Book Value	Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency	Exchange Rate	(In New Taiwan Dollars)	Change in Rate	Profit Impact	Equity Impact
Financial Assets						
Monetary Items						
USD:TWD	49	30.75	1,505	1% Appreciation	15	—

			December 31,2022			
			Book Value	Sensitivity Analysis		
(Foreign Currency: Functional Currency)	Foreign Currency	Exchange Rate	(In New Taiwan Dollars)	Change in Rate	Profit Impact	Equity Impact
Financial Assets						
Monetary Items						
USD:TWD	49	30.75	1,505	1% Appreciation	15	—

If the New Taiwan Dollar appreciates relative to the mentioned currencies, assuming all other factors remain unchanged, it would result in an equal but opposite impact on the monetary amounts of those currencies as of December 31st in the 2023and 2022fiscal years.

(C) The foreign currency monetary items of the company had a significant impact due to exchange rate fluctuations. The total amount of cumulative translation gains (including realized and unrealized) recognized in the 2023and 2022fiscal years was NT$0 and NT$147 thousand, respectively.

B. Price Risk

Due to the securities held by the company being classified as either financial assets at fair value through profit or loss or financial assets at fair value through other comprehensive income on the balance sheet, the company is exposed to price risk associated with these securities.

The company primarily invests in listed and unlisted domestic and foreign company stocks and beneficiary certificates, and the prices of these securities can be affected by the uncertainty of their future values.

If the prices of the securities increase or decrease by 1%, the after-tax losses for the 2023and 2022fiscal years will increase or decrease by NT$5 thousand and NT$5 thousand, respectively, due to the increase or decrease in fair value of financial assets at fair value through profit or loss. The after-tax other comprehensive income for the 2023and 2022fiscal years will increase or decrease by NT$1,152 thousand and NT$1,221 thousand, respectively, due to the increase or decrease in fair value of financial assets at fair value through other comprehensive income.

C. Interest Rate Risk

(A) Sensitivity Analysis for Fair Value Interest Rate Risk Instruments

The company does not have significant amounts of financial assets and liabilities classified as fair value through profit or loss or fair value through other comprehensive income. Additionally, no derivative instruments (interest rate swaps) have been designated as hedging instruments under the fair value hedge accounting model. Therefore, changes in interest rates on the reporting date will not affect the income statement and other comprehensive income.

(B) Sensitivity Analysis for Cash Flow Interest Rate Risk

The company's financial instruments with variable interest rates are floating-rate assets (liabilities), and changes in market interest rates will result in corresponding changes in their effective interest rates, causing fluctuations in future cash flows. For every 1% increase (decrease) in market interest rates, the net profit for the 2023and 2022 fiscal years will increase (decrease) by (NT$5,187) thousand and decrease (increase) by (NT$5,405) thousand, respectively.

(2) Credit Risk

Credit risk refers to the risk of financial loss arising from counterparties' failure to fulfill contractual obligations to the company. The credit risk of the company primarily comes from trade receivables generated from its operational activities, as well as bank deposits and other financial instruments resulting from its investment activities. Operational-related credit risk and financial credit risk are managed separately.

A. Operational-related credit risk

To maintain the quality of trade receivables, the company has established procedures for managing operational-related credit risk. The risk assessment of individual customers takes into consideration factors such as their financial condition, internal credit ratings within the company, historical transaction records, and current economic conditions, among other factors that may affect their payment ability.

B. Financial credit risk

The credit risk associated with bank deposits and other financial instruments is evaluated and monitored by the financial department of the company. The counterparties and contractual parties of the company consist of well-rated banks, financial institutions, corporate organizations, and government agencies, with no significant contractual concerns. Therefore, there is no significant credit risk. Additionally, the company does not classify any debt instruments as amortized cost or measure any debt instrument at fair value through other comprehensive income.

(3) Liquidity Risk

A. Overview:

The objective of managing liquidity risk in the company is to maintain sufficient financial flexibility by ensuring adequate cash and cash equivalents, highly liquid securities, and a satisfactory level of bank financing to meet operational needs.

B. Analysis of Financial Liabilities by Maturity

The following table presents a summary of financial liabilities in terms of their contractual maturity dates and undiscounted amounts:

	December 31,2023					
Non-derivative Financial Liabilities	Short-term	1-2 years	2-5 years	Over 5 years	Cash Flows	Carrying Amount
Short-term borrowings	$82,500	$ —	$ —	$ —	$82,500	$82,500
Payables on short-term notes	29,975	—	—	—	30,000	29,975
Accounts payable	7,071	—	—	—	7,071	7,071
Other payables	166,286	—	—	—	166,286	166,286
Long-term bank loans	47,240	24,000	335,000	—	406,240	406,240
Deposits received as guarantees	57	—	—	—	57	57
Total	$133,129	$24,000	$335,000	$ —	$692,154	$692,129

	December 31,2022					
Non-derivative Financial Liabilities	Short-term	1-2 years	2-5 years	Over 5 years	Cash Flows	Carrying Amount
Short-term borrowings	$92,280	$ —	$ —	$ —	$92,280	$92,280
Payables on short-term notes	29,981	—	—	—	30,000	29,981
Accounts payable	7,858	—	—	—	7,858	7,858
Other payables	19,988	—	—	—	19,988	19,988
Long-term bank loans	27,000	44,240	347,000	—	418,240	418,240
Deposits received as guarantees	88	—	—	—	88	88

Total	$177,195	$44,240	$347,000	$ —	$568,454	$568,435

The company does not anticipate significant changes in the timing or amounts of cash flows arising from its financial liabilities.

2. Types of Financial Instruments

	December 31, 2023	December 31, 2022
Financial Assets:		
Measured at amortized cost:		
Cash and cash equivalents	$914	$4,796
Accounts receivable	5,174	4,844
Other receivables	--	-
Deposits as collateral	132	132
Current financial assets	499	477
Other comprehensive income financial assets - current	101,963	109,217
Other comprehensive income financial assets - non-current	13,210	12,925
Other non-current financial assets	--	5,000
Financial Liabilities		
Measured at amortized cost		
Short-term borrowings	82,500	92,280
Short-term notes payable	29,975	29,981
Accounts payable	7,071	7,858
Other payables (including related parties)	166,286	19,988
Long-term bank loans (including current portion)	406,240	418,240
Deposits received as collateral	57	88

III. Fair Value Information:

1. Regarding the fair value information of financial assets and financial liabilities that are not measured at fair value, please refer to Note 12(3) for further details. For the fair value information of investment properties measured at cost by the company, please refer to Note 6(9) for more information.

2. Definition of fair value levels:

Level 1: The inputs for this level are quoted prices in active markets for identical instruments. An active market is one where the following conditions are met: the traded goods are homogenous, willing buyers and sellers can be found at any time in the market, and pricing information is accessible to the public. Investments in listed stocks, beneficial certificates, government bonds categorized as popular securities, and derivative instruments with active market quoted prices fall into this category.

Level 2:The inputs for this level are observable prices other than quoted prices in active markets, including directly observable prices (such as market prices) or indirectly observable prices derived from active markets. Bonds, corporate bonds, financial bonds, convertible bonds, and most derivative instruments that are not categorized as popular securities fall into this category.

Level 3: The inputs for this level are unobservable inputs used to measure fair value, which are not based on observable market data. Investments in illiquid instruments without an active market fall into this category.

3. Non-fair value measurement financial instruments:

Financial instruments that are not measured at fair value by the Company, such as cash and cash equivalents, accounts and notes receivable, other financial assets, deposits as guarantees, short-term borrowings, payable short-term notes, accounts and notes payable, and deposits received as guarantees, are measured at a reasonable approximation of fair value.

4. Fair value level information:

The Company measures financial instruments at fair value based on their repetitiveness, while non-current assets held for sale are measured based on non-repetitiveness at the lower of carrying amount or fair value less selling costs. The fair value level information for the Company is presented in the following table:

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Financial assets measured through profit or loss: Beneficial certificates	$499	$ —	$ —	$499
Financial assets measured through other comprehensive income:				
Domestic listed stocks	101,963	—	--	101,963

Domestic and foreign unlisted stocks	--	—	13,210	13,210
Total	$102,462	$ —	$13,210	$115,672

Item	December 31,2022 Level 1	Level 2	Level 3	Total
Financial assets measured through profit or loss: Beneficial certificates	$477	$ —	$ —	$477
Financial assets measured through other comprehensive income:				
Domestic listed stocks	109,217	—	--	109,217
Domestic and foreign unlisted stocks	--	—	12,925	12,925
Total	$109,694	$ —	$12,925	$122,619

5. Valuation Techniques for Instruments Measured at Fair Value:

(1) For financial instruments with active market quotations, the fair value is determined based on the publicly quoted prices in the active market. The market prices announced by major exchanges and the Central Government Debt Securities OTC Trading Center, which is determined to be a popular trading venue, serve as the basis for fair value assessment of listed equity instruments and debt instruments with active market quotations.

If timely and frequent publicly quoted prices of financial instruments can be obtained from exchanges, brokers, underwriters, industry associations, pricing service organizations, or regulatory authorities, and such prices represent transactions that occur in the fair market on a regular basis, then those financial instruments are considered to have active market quotations. If the aforementioned conditions are not met, the market is considered to be inactive. Generally, a significant bid-ask spread, a significant increase in bid-ask spread, or low trading volume are indicators of an inactive market.

For financial instruments held by the Company with active markets, their fair values are presented by category and nature as follows:
A. Listed company stocks: Closing price.
B. Open-ended funds: Net asset value.

(2) For financial instruments other than those with active markets, the fair value is determined using valuation techniques or by referencing quotes from market participants. The fair value obtained through valuation techniques can be based on the current fair value of other similar financial instruments with comparable terms and characteristics, discounted cash flow methods, or other valuation techniques, including the utilization of models that incorporate market information available on the balance sheet date.

The fair value of unlisted (OTC) company stocks held by the Company, which do not have active markets, is primarily estimated using market-based approaches. The determination takes into consideration valuation of comparable companies, third-party quotes, company net worth, and assessment of operational conditions. Additionally, the significant unobservable inputs mainly include liquidity discounts. However, since potential fluctuations in liquidity discounts would not have a significant potential financial impact, the quantified information regarding such inputs is not disclosed.

6. Movement between the first and second levels: None.

7. Statement of Changes in Level 3 - Financial Assets Measured at Fair Value through Other Comprehensive Income - Unlisted Stocks

Item	2023	2022
Opening Balance	$12,925	$10,978
Recognized in Other Comprehensive Income	285	1,947
Closing Balance	$13,210	$12,925

8. Valuation Process for Fair Value Classified in Level 3:

For unlisted equity investments, both domestic and foreign, where there is no publicly quoted price available, the fair value is determined using the net asset value (NAV) method.

IV. Transfer of financial assets: None.

V. Offsetting of financial assets and financial liabilities: None.

13. Disclosure Notes

A. Significant transaction-related information (before offsetting in consolidation):
   (1) Loans to others: See Schedule 1.
   (2) Endorsements and guarantees for others: None .
   (3) Holdings of marketable securities at the end of the period: See Schedule 2.
   (4) Cumulative purchases or sales of the same marketable securities amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: See Schedule 3.
   (5) Acquisition of real estate amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: None.
   (6) Disposal of real estate amounting to NT$300 million or more, or exceeding 20% of the paid-in capital: None.
   (7) Sales and purchases of goods with related parties amounting to NT$100 million or more, or exceeding 20% of the paid-in capital: None.
   (8) Accounts receivable from related parties amounting to NT$100 million or more, or exceeding 20% of the paid-in capital: None.
   (9) Transactions involving derivative instruments: None.

B. Information on investments in associates: See Schedule 4.

C. Information on investments in Mainland China: None.

D. Information on major shareholders (names, shareholdings, and ownership percentages of shareholders with stakes exceeding 5%): See Schedule 5.

14. Segment Information

The company has already disclosed operational segment information in the consolidated financial statements and therefore will not disclose it in the individual financial statements.

Schedule 1

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
FINANCING PROVIDED TO OTHERS
December 31, 2023

Season 4 of 2023 (In Thousands of New Taiwan Dollars)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Ending Balance	Actual Amount Borrowed	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
1	ANNDING INVESTMENT CO.,LTD.	SHIN TAI INDUSTRY CO.,LTD.	Other receivables	Yes	50,000	50,000	48,510	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	TONG ANN CHEMICALS CO., LTD.	Other receivables	Yes	100,000	100,000	68,700	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Other receivables	Yes	50,000	50,000	44,430	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)
1	ANNDING INVESTMENT CO.,LTD.	ANDA INVESTMENT CO.,LTD.	Other receivables	No	50,000	50,000	39,497	1%~1.5%	short-term financing	—	pay debt	—	none	—	201,402 (Note 1)	805,607 (Note 2)

Note 1： The loan limit for individual objects shall not exceed 10% of the net worth of Anding Company.

Note 2： The total limit of capital loans shall not exceed 40% of the net worth of Anding Company.

Schedule 2

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
MARKETABLE SECURITIES HELD
December 31, 2023

(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SHIN TAI INDUSTRY CO.,LTD.	Fund- HSBC Three to Four Year Maturity Emerging Asia Bond Fund ACUSD.	none	Financial assets at FVTPL - current	1	499	—	499	
			Total		499		499	
	Ordinary shares- EASTERN MEDIA INTERNATIONAL CORPORATION.	none	Financial assets at FVTOCI - current	10	217	—	217	
	Ordinary shares- SHIH WEI NAVIGATION CO., LTD.	none	Financial assets at FVTOCI - current	—	3	—	3	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	51	—	51	
	Ordinary shares- TTET UNION CORPORATION.	none	Financial assets at FVTOCI - current	1	143	—	143	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,321	92,866	2.0	92,866	
	Ordinary shares- STARK TECHNOLOGY, INC.	none	Financial assets at FVTOCI - current	6	723	—	723	
	Ordinary shares- TAISUN ENTERPRISE CO.,LTD.	none	Financial assets at FVTOCI - current	11	248	—	248	
	Ordinary shares- LONG BON INTERNATIONAL CO.,LTD.	none	Financial assets at FVTOCI - current	7	111	—	111	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	136	6,718	0.2	6,718	
	Ordinary shares- TAI ROUN PRODUCTS CO.,LTD.	none	Financial assets at FVTOCI - current	30	430	—	430	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	8	133	—	133	
	Ordinary shares- PCL TECHNOLOGIES,INC.	none	Financial assets at FVTOCI - current	3	232	—	232	
	Ordinary shares- Browave Corporation.	none	Financial assets at FVTOCI - current	1	88	—	88	
			Total		101,963		101,963	
	Ordinary shares- Sunny Bank Ltd.	none	Financial assets at FVTOCI - non-current	1,135	13,210	—	13,210	
	Ordinary shares- EVERSTRONG ANIMAL HEALTHCO.,LTD.	none	Financial assets at FVTOCI - non-current	34	—	—	—	
			Total		13,210	—	13,210	

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Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
SHIN FONG TRADING CO., LTD.	Ordinary shares- RITEK CORPORATION.	none	Financial assets at FVTPL - current	—	1	—	1	
			Total		1		1	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	—	27	—	27	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	21	399	—	399	
	Ordinary shares- APOGEE OPTOCOM CO., LTD.	none	Financial assets at FVTOCI - current	—	5	—	5	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,763	123,942	2.7	123,942	
	Ordinary shares- TAISUN ENTERPRISE CO.,LTD.	none	Financial assets at FVTOCI - current	15	338	—	338	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	898	44,361	1.0	44,361	
			Total		169,072		169,072	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	4,886	382,611	3.3	382,611	
			Total		382,611		382,611	
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	65	—	65	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	1	71	—	71	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	64	4,499	0.1	4,499	
	Ordinary shares- SYSTEX CORPORATION.	none	Financial assets at FVTOCI - current	10	1,120	—	1,120	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	15	741	—	741	
			Total		6,496		6,496	

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Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	111	5,484	0.1	5,484	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	3	59	—	59	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	1,091	76,704	1.6	76,704	
	Ordinary shares- TAIWAN NAVIGATION CO., LTD.	none	Financial assets at FVTOCI - current	1	33	—	33	
	Ordinary shares- JETWELL COMPUTER CO.,LTD.	none	Financial assets at FVTOCI - current	8	744	—	744	
			Total		83,024		83,024	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	14,920	1,168,220	10.0	1,168,220	
			Total		1,168,220		1,168,220	
TONG ANN CHEMICALS CO., LTD.	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	798	39,421	1.2	39,421	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	37	714	—	714	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	2,023	142,245	3.1	142,245	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	12	673	—	673	
	Ordinary shares- CTCI Corporation	none	Financial assets at FVTOCI - current	15	644	—	644	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	3	50	—	50	
			Total		183,747		183,747	
	Ordinary shares- SHIN TAI INDUSTRY CO.,LTD.	Parent company	Financial assets at FVTOCI - non-current	26,923	2,108,054	18.0	2,108,054	
			Total		2,108,054		2,108,054	

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Schedule 2

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Note Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ANNDING INVESTMENT CO.,LTD.	Ordinary shares- EASTERN MEDIA INTERNATIONAL CORPORATION.	none	Financial assets at FVTPL - current	—	2	—	2	
	Ordinary shares- SHIH WEI NAVIGATION CO., LTD.	none	Financial assets at FVTPL - current	—	9	—	9	
	Ordinary shares- China Communications Media Group Co., Ltd.	none	Financial assets at FVTPL - current	2	9	—	9	
			Total		20		20	
	Ordinary shares- FWUSOW INDUSTRY CO.,LTD.	none	Financial assets at FVTOCI - current	7	130	—	130	
	Ordinary shares- EZconn Corporation.	none	Financial assets at FVTOCI - current	533	37,481	0.8	37,481	
	Ordinary shares- APOGEE OPTOCOM CO., LTD.	none	Financial assets at FVTOCI - current	—	16	—	16	
	Ordinary shares- GREAT WALL ENTERPRISE CO., LTD.	none	Financial assets at FVTOCI - current	3	164	—	164	
	Ordinary shares- TATUNG SYSTEM TECHNOLOGIES INC.	none	Financial assets at FVTOCI - current	1,491	73,656	1.7	73,656	
	Ordinary shares- TAI ROUN PRODUCTS CO.,LTD.	none	Financial assets at FVTOCI - current	24	344	—	344	
	Ordinary shares- SYSTEX CORPORATION.	none	Financial assets at FVTOCI - current	4	448	—	448	
	Ordinary shares- AZION CORPORATION.	none	Financial assets at FVTOCI - current	1	35	—	35	
	Ordinary shares- TOP HIGH IMAGE CORP.	none	Financial assets at FVTOCI - current	10	166	—	166	
			Total		112,440		112,440	

Schedule 3

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
December 31, 2023

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition			Disposal				Ending Balance	
					No. of Shares (1000)	Amount (Note)	Allotment of shares	No. of Shares (1000)	Amount	No. of Shares (1000)	Amount	Carrying Amount (Note)	Gain on Disposal	No. of Shares (1000)	Amount
ANNDING INVESTMENT CO.,LTD.	FORMOSA OILSEED PROCESSING CO,LTD.	Investments accounted for using equity method	-	-	8,163	498,443	407	5,681	347,254	5,823	337,650	354,044	(16,394)	8,428	491,653

Note：Calculated based on original investment cost.

Schedule 4

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Name, Location, and other Related Information about Invested Company
December 31, 2023

(In Thousands of New Taiwan Dollars)

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
SHIN TAI INDUSTRY CO.,LTD.	SHIN FONG TRADING CO., LTD.	KAOHSIUNG CITY	Investment business	349,600	349,600	75,185	100.00%	931,965	74,878	70,515	Subsidiary company
	TAI SHENG OCEAN DEVELOPMENT CO., LTD.	KAOHSIUNG CITY	Fishing industry, aquaculture industry.	20,100	20,100	2,500	100.00%	39,559	6,385	6,385	Subsidiary company
	ANNDING INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	219,195	219,195	36,776	48.84%	404,544	2,754	1,345	Subsidiary company
	ANDA INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	77,022	77,022	8,602	47.79%	309,272	40,903	22,620	
	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	10,500	10,500	1,050	36.21%	(90,140)	1,336	(12,837)	Subsidiary company
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	112,000	112,000	112	39.16%	(277,089)	(52,261)	(44,504)	Subsidiary company
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	242,716	242,716	9,674	9.74%	313,511	289,788	28,263	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	445,773	411,144	26,070	11.35%	450,083	367,879	41,617	
	TAI YU NETWORK & COMMUNICATION INC.	TAICHUNG CITY	Online communication product buying and selling	46,050	—	3,000	60.00%	49,042	(1,244)	(747)	Subsidiary company
SHIN FONG TRADING CO., LTD.	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	430,742	400,652	15,430	15.53%	533,252	289,788	44,530	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	511,946	502,506	16,925	7.37%	514,677	367,879	26,951	
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	2,692	2,692	122	0.12%	4,012	289,788	357	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	39,492	39,492	2,939	1.28%	39,994	367,879	4,707	

(next page)

(Continued)

Schedule 4

Name of Investing Company	Name of Invested Company	Location	Main Operating Items	Original Invested Amount		Year-End Holdings			Invested Company's Current Year Profit (Loss)	Investment Profit (Loss) Recognized in the Current Year	Note
				End of This Year	End of Last Year	No. of Shares (1000)	Percentage (%)	Carrying Amount			
ANNDING INVESTMENT CO.,LTD.	SHIN TAI INDUSTRY CO.,LTD.	KAOHSIUNG CITY	Food and Grocery Wholesale Industry	1,484,211	1,484,211	66,498	44.43%	1,378,453	98,615	—	
	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	5,500	5,500	550	18.97%	(53,612)	1,336	254	
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	55,000	55,000	55	19.23%	(63,158)	(52,261)	(10,050)	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	203,239	121,121	6,473	6.52%	231,536	289,788	17,145	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	491,653	498,443	8,428	3.67%	492,901	367,879	13,485	
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	ANNDING INVESTMENT CO.,LTD.	TAOYUAN CITY	Investment business	31,708	31,708	4,775	6.34%	31,708	2,754	—	
	TONG ANN CHEMICALS CO., LTD.	KAOHSIUNG CITY	Chemical Raw Materials and Products Wholesale	55,000	55,000	55	19.23%	(91,752)	(52,261)	(10,050)	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	43,758	48,728	1,112	1.12%	47,256	289,788	3,637	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	97,585	96,159	1,901	0.83%	89,999	367,879	3,263	
TONG ANN CHEMICALS CO., LTD.	MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	KAOHSIUNG CITY	Cosmetics Wholesale Industry	3,000	3,000	300	10.35%	3,000	1,336	—	
	GENESIS TECHNOLOGY INC.	HSINCHU CITY	Information Systems Integration Services	22,366	30,202	600	0.60%	28,792	289,788	2,097	
	FORMOSA OILSEED PROCESSING CO,LTD.	TAICHUNG CITY	Food Ingredients and Products Manufacturing, Processing, and Sales	196,707	133,568	4,994	2.17%	190,712	367,879	7,594	

Schedule 5

Shin Tai Industry Co.,Ltd. and Subsidiary Companies
Information on Major Shareholders
December 31, 2023

Shares / Name of Major Shareholders	Number of Shares Held	Shareholding Percentage
ANNDING INVESTMENT CO., LTD.	66,497,895	44.43%
TONG ANN CHEMICALS CO., LTD.	26,922,786	17.98%
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	14,919,795	9.97%
NONG ANN BIOTECHNOLOGY CO., LTD.	12,509,851	8.35%

Note : The information on major shareholders in this table is based on the calculation made by the TDCC, of which the sharehold ers hold more than 5% of the company' s common share that was completed by non -physical payments (including treasury shares) and special shares on the last business day of the quarter-end of the current quarter. The share capital and the actual number of shares completed by non-physical payments recorded in the Consolidated Company' s consolidated financial report may differ due to the difference in calculation basis.

SHIN TAI INDUSTRY CO.,LTD.

Detailed Index of Significant Accounting Items

Year 2023

SHIN TAI INDUSTRY CO.,LTD.

Statement of Cash and Cash Equivalents

December 31,2023

Unit: Thousand New Taiwan Dollars and Foreign Currency

Item	Description	Amount	Notes
Cash		$ 150	
Bank Deposits	Savings Account	746	
	Foreign Currency Deposits	18	USD 0.5
Subtotal Bank Deposits		764	
Total		$ 914	

Exchange rate for USD on December 31, 2023: 1 USD = 31.57 NTD.

SHIN TAI INDUSTRY CO.,LTD.

Statement of Financial Assets at Fair Value through Profit or Loss - Current

December 31,2023

Unit: Thousand New Taiwan Dollars (NTD)

Item	Description	Number of Shares or Units	Face Value	Total Amount	Acquisition Cost	Fair value Unit Price (NTD)	Fair value Total Amount	Notes
HSBC Three-Year to Four-Year Target Maturity Emerging Asia Bond Fund	Beneficiary Certificate	1	$ 500	500	$ 500	9.96	$ 499	

SHIN TAI INDUSTRY CO.,LTD.

Statement of Financial Assets at Fair Value through Other Comprehensive Income - Current

December 31,2023

Unit: NTD
(thousand New
Taiwan Dollars)

Item	Number of Shares or Units	Face Value	Total Amount	Interest Rate	Acquisition Cost	Fair value Unit Price (NTD)	Fair value Total Amount	Notes
Domestic Listed Stocks								
EASTERN MEDIA INTERNATIONAL CORPORATION	10	$ 10	$ 90	—	$ 93	22.65	$ 217	
SHIH WEI NAVIGATION CO., LTD	—	10	—	—	8	20.55	3	
FWUSOW INDUSTRY CO.,LTD	3	10	—	—	35	19.30	51	
TTET UNION CORPORATION	1	10	10	—	133	142.50	142	
EZconn Corporation	1,321	10	13,210	—	60,787	70.30	92,866	
STARK TECHNOLOGY, INC.	6	10	60	—	426	120.50	723	
TAISUN ENTERPRISE CO.,LTD.	11	10	110	—	298	22.50	248	
LONG BON INTERNATIONAL CO.,LTD	7	10	70	—	130	15.90	111	
TATUNG SYSTEM TECHNOLOGIES INC.	136	10	1,360	—	6,346	49.40	6,718	
TAI ROUN PRODUCTS CO.,LTD.	30	10	300	—	489	14.35	431	
TOP HIGH IMAGE CORP.	8	10	80	—	101	16.40	133	
PCL TECHNOLOGIES,INC.	3	10	30	—	239	77.30	232	
Browave Corporation	1	10	10	—	99	88.40	88	
					$ 69,184		$ 101,963	

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Notes Receivable

December 31,2023

Unit: NTD
(thousand New
Taiwan Dollars)

Item	Description	Amount	Notes
A	Notes receivable	$ 2,122	
B	Notes receivable	427	
Other	5% or less	414	
Total		2,963	
Less: Allowance for Loss		(251)	
Net Amount		$ 2,712	

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Accounts Receivable

December 31,2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Description	Amount	Notes
Accounts Receivable:			
A	Accounts Receivable - Sales	$ 854	
B	Accounts Receivable - Sales	332	
C	Accounts Receivable - Sales	427	
D	Accounts Receivable - Sales	518	
E	Accounts Receivable - Sales	1,177	
F	Accounts Receivable - Sales	345	
Other	5% or less	1,429	
Subtotal		5,082	
Less: Allowance for Loss		(2,620)	
Net Accounts Receivable		$ 2,462	
Collection receivables:			
G	Notes Receivable	$ 11,348	
H	Notes Receivable	6,826	
I	Accounts Receivable - Sales	14,708	
Other	5% or less	89,163	
Subtotal		122,045	
Less: Allowance for Loss		(122,045)	
Net Collection Amount		$ -	

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Inventories

December 31,2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Description	Cost	Net Realizable
Raw materials	Corn, fish meal, etc.	$ 23,194	$ 5,431
Supplies	Woven bags, etc.	1,508	1,508
Work in progress	Reprocessed materials, etc.	564	564
Finished goods	Specialized fish feed, fish and shrimp Mixed materials, etc."	1,073	1,073
Subtotal		26,339	$ 8,576
Less: Allowance for inventory write-down and obsolescence		(25,574)	
Total		$ 765	

SHIN TAI INDUSTRY CO.,LTD.

Statement of Financial Assets at Fair Value through Other Comprehensive Income - Non-current

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Opening balance		Increase during the period		Decrease during the period		Ending balance		Collateral or Pledge Status	Notes
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount		
Sunny Bank Ltd.	1,107	$ 12,925	28	$ 285	-	$ -	1,135	$ 13,210	無	
EVERSTRONG ANIMAL HEALTH CO., LTD.	34	-	-	-	-	-	34	-	無	
Total		$ 12,925		$ 285		$ -		$ 13,210		

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Investments Accounted for using Equity Method

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan

Item	Opening Balance		Increase during the Period (Note 1)		Decrease during the Period (Note 2)		Ending Balance			Market price or equity value	Guarantee or pledge status	Notes
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Shareholding ratio	Amount			
Investments accounted for using the equity method												
Subsidiary												
SHIN FONG TRADING CO., LTD.	66,359	$ 819,693	8,826	$ 114,140	-	$ 1,868	75,185	100.00%	$ 931,965	$ 931,965	N/A	
TAI SHENG OCEAN DEVELOPMENT CO., LTD.	2,500	36,606	-	9,095	-	6,142	2,500	100.00%	39,559	39,559	N/A	
ANNDING INVESTMENT CO.,LTD	36,776	282,893	-	158,162	-	36,511	36,776	48.84%	404,544	404,544	N/A	
TAI YU NETWORK & COMMUNICATION INC.	-	-	3,000	49,788	-	746	3,000	60.00%	49,042	49,042	N/A	
Subtotal		1,139,192		331,185		45,267			1,425,110	1,425,110		
Affiliated companies												
ANDA INVESTMENT CO.,LTD	8,602	281,354	-	81,930	-	54,012	8,602	47.79%	309,272	309,272	N/A	
Genesis Technology ,Inc.	8,063	286,174	1,611	36,384	-	9,047	9,674	9.74%	313,511	632,675	詳附註八	註3
FORMOSA OILSEED PROCESSING CO,LTD	24,287	411,144	1,783	76,451	-	37,513	26,070	11.35%	450,083	1,426,050	詳附註八	註3
Subtotal		978,672		$ 194,765		$ 100,572			1,072,866	2,367,997		
Total		$ 2,117,864							$ 2,497,976	$ 3,793,107		
Investment loans under equity method												
Subsidiary												
MEI ANN BIOCHEMICAL TECHNOLOGY CO., LTD.	1,050	(69,362)		$ 169,213		$ 189,991	1,050	36.21%	$ (90,140)			
TONG ANN CHEMICALS CO., LTD.	112	(177,416)		211,995		311,667	112	39.16%	(277,087)			
Total		(246,778)		$ 381,208		$ 501,658			$ (367,229)			

Note 1： The current period increase includes changes in equity value of the investee company, issuance of stock dividends, and additional investment amount.

Note 2： The current period decrease includes changes in equity value of the investee company and payment of cash dividends and Amount of exchange difference in the translation of financial statements of foreign operating institutions

Note 3： Common stocks of listed companies are calculated based on the closing price at the end of 2023

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Short-term Borrowings

December 31,2023

Unit: NTD (thousand New Taiwan Dollars)

Lender	Summary	Ending Balance	Contract Period	Financing Amount	Collateral or Guarantee
Bank of Panhsin	Mortgage Loan	82,500	112.11~113.05	92,280	Land, measured at fair value through other comprehensive income - Current
		$ -			
Total		$ 82,500			
Interest Rate Range		2.87%			

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Short-term Notes Payable

December 31,2023

Unit: NTD
(thousand New
Taiwan Dollars)

Item	Accepting institution	Contract period	Amount: Issuance amount	Amount: Discount on bills	Amount: Book value	Notes
Financing Commercial Paper	International Bills Finance Corporation	112.12~113.01	30,000	(25)	29,975	
Total			$ 30,000	$ (25)	$ 29,975	
Interest Rate Range					2.83%	

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Accounts Payable

December 31,2023

Unit: NTD
(thousand New
Taiwan Dollars)

party	Description	Amount	Notes
A	Accounts payable	$ 1,616	
B	Accounts payable	1,354	
C	Accounts payable	1,170	
D	Accounts payable	1,321	
Other	5% or less	1,610	
Total		$ 7,071	

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Other Payables

December 31,2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Description	Amount
Director and supervisor remuneration payable	Accrued director and supervisor remuneration	5,500
Employee bonus payable	Accrued employee bonus	3,566
Interest payable	Interest payable	1,662
Other payable - NRP	Miscellaneous expenses	6,721
Other payable - RP	Funds loaned	147,830
Other (Note)	Other miscellaneous expenses	1,007
		$ 166,286

Note: The balances of each item do not exceed 5% of the amount allocated to this account.

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Long-term Bank Borrowings

December 31,2023

Unit: NTD (thousand New Taiwan Dollars)

Creditor	Contract Period	Interest	Loan Balance	Collateral or Guarantee	Notes
Bank of Panhsin	110.05~115.05	2.22%	$ 371,000	Note 8	Grace period of one year, with monthly principal repayment of 1,000 thousand NT dollars. The remaining balance will be settled upon maturity.
HORIZON SECURITIES CO., LTD.	111.09~113.03	2.50%	15,970	Note 8	Principal and interest payment upon maturity.
HORIZON SECURITIES CO., LTD.	111.09~113.03	2.50%	4,270	Note 8	Principal and interest payment upon maturity.
HORIZON SECURITIES CO., LTD.	112.04~113.10	2.50%	15,000	Note 8	Principal and interest payment upon maturity.
			406,240		
Short-term Bank Loans Payable within One Year			(47,240)		
			$ 359,000		

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Operating Costs

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Amount
Opening inventory	$ 27,678
Add: Purchases in the current period	18,318
Other additions - Transfer of production usage	1,744
Deduct: Closing inventory	(23,194)
Sale of raw materials	(6,004)
Inventory write-off	(919)
Consumption of raw materials	17,623
Opening inventory	1,464
Add: Purchases in the current period	502
Deduct: Closing inventory	(1,508)
Other deductions - Transfer to expenses, etc.	(85)
Consumption of materials	373
Direct labor	2,025
Manufacturing expenses	7,217
Manufacturing cost	27,238
Opening work-in-progress	850
Inventory profit (loss)	(1)
Deduct: Closing work-in-progress	(564)
Usage transfer of raw materials	(1,731)
Cost of finished goods	25,792
Add: Opening finished goods	949
Purchased finished goods	5,147
Sales returns	50
Deduct: Closing finished goods	(1,073)
Other deductions - Transfer of raw materials	(12)
Other deductions - Transfer to expenses, etc.	(296)
Inventory profit (loss)	12
Cost of goods sold	30,569
Cost adjustment items	
Cost of sold raw materials	6,004
Inventory write-down loss	(4,881)
Inventory profit (loss)	908
Total operating costs	$ 32,600

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Selling Expenses

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Amount
Salary expenses	$ 165
Postal and telecommunications expenses	60
Advertising expenses	248
freight expenses	172
Packaging expenses	83
Other expenses (Note)	91
Total	$ 819

Note: The balances of each item do not exceed 5% of the amount allocated to this account.

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Administrative Expenses

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Amount
Salary expenses	$ 6,767
Insurance premiums	687
Depreciation expenses	741
Miscellaneous expenses	703
Labor fees	957
Other expenses (Note)	2,367
Total	$ 12,222

Note: The balances of each item do not exceed 5% of the amount allocated to this account.

SHIN TAI INDUSTRY CO.,LTD.

Detailed List of Research and Development Expenses

From January 1 to December 31 of the year 2023

Unit: NTD (thousand New Taiwan Dollars)

Item	Amount
Depreciation expenses	1
Total	$ 1

Note: The balances of each item do not exceed 5% of the amount allocated to this account.

SHIN TAI INDUSTRY CO.,LTD.

Chairman: Wu Jinquan