Stock Code: 1236

Hunya Foods Co., Ltd.

2023 Annual General Shareholders'Meeting Minutes

Disclaimer：For the convenience of readers, the procedure, agendas, attachments, resolutions, meeting minutes and appendixes of Hunya Foods Annual Shareholders' General Meeting have been translated into English from original Traditional Chinese version circulated in Taiwan, the Republic of China. If there is any conflict between English version and Traditional Chinese version or any differences within the interpretation, the Traditional Chinese version shall prevail.

Time: 9:30 a.m. On June 20, 2023 (Tuesday)

Place: No. 386, Jianguo Rd., Bade Dist., Taoyuan City (3F Meeting room at the Company's Jianguo plant)

Total outstanding Hunya Foods shares：108,342,510 shares

Total shares represented by shareholders present in person or by proxy：80,762,971 **shares.**

Percentage of shares held by shareholders present in person or by proxy：74.54%

Attending Directors：Yun-Chi Chang, Chairman

Sheng-Chun Wang , Director

Shu-Yen Chang, Director

Tsung-Pen, Chang , Independent Director

Chun-Pei Liu , Independent Director

(Total Five Directors were present at the annual shareholders’ general meeting, exceeding the half of the total Board Members, 6.)

Attendees：

Rung-Huang Shiu, CPA, Ernst & Young (EY) Taiwan

Zhong-ping Wang, Lawyer, Deyu International Law Firm

Chairperson：Yun-Chi Chang, Chairman

Recorder：Tsai-Yun Yu

Call the meeting to order：

The Chairperson called the meeting to order, since the aggregate shareholding of the shareholders present in person or by proxy constituted a quorum.

Chairperson remarks: (omitted)

Management Presentations

(I) Report: 2022 Business Report (Please refer to Attachment 1.)

(II) Report: 2022 Audit Committee's Review Report. (Please refer to Attachment II.)

(III) Report: 2022 Distribution of Employees' Compensation and Directors’ Remuneration.

Explanation:

1. In accordance with the Company's Articles of Incorporation, the Company shall contribute 3% as employees' compensation and 1.5% as directors' remuneration for 2022.
2. In 2022, net income before tax contributed NT$14,565,010 as employees' compensation and NT$7,282,505 as directors' remuneration, both of which were paid in cash.

3. There was no difference between the distribution amount and the estimated amount of expense recognized in the year of distribution.

(IV) Report: 2022 Cash Dividend Distribution from Earnings.

Explanation:

1. In accordance with Article 27 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve that all or part of the dividends and bonuses to be distributed shall be paid in cash and reported to the shareholders' meeting.
2. For 2022 earning distribution, a cash dividend of NT$108,342,510 shall be distributed to shareholders in the amount of NT$1 per share, which shall be rounded off to the nearest dollar and the total fractional amount shall be recognized as "other income" of the Company.
3. This proposal has been approved by the board of directors, and a separate board meeting shall be held to set the ex-dividend date, distribution date and other related matters. If there is a change in the number of outstanding common shares of the Company and the dividend distribution rate changes as a result, the Chairman is authorized to adjust the rate at his sole discretion.

(V) Other report: As of April 24, 2023 (the period for acceptance of shareholders' proposals begins on April 14, 2023 and ends on April 24, 2023), no motions have been received from the Company's shareholders except for the motion passed at the Company's 2nd board meeting of the current year on February 22, 2023.

Proposals

(I) Report: 2022 Business Report and Financial Statements. (Proposed by the board of directors)

Explanation:

1. The 2022 Financial Statements, including Balance Sheet, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, were audited by Ernst & Young Associates, Inc. and have been audited by independent auditors, Jung-Huang Hsu and Chien-Tse Huang of Ernst & Young Associates, Inc. and have issued an unqualified audit report, and have been audited by the Audit Committee and have been completed with a written review report, please refer to [Attachment II].
2. The 2022 Business Report and Financial Statements (including parent company only and consolidated financial statements) and the independent auditors' audit report are attached in the Meeting Agenda, [Attachment I] and [Attachment III].

Resolution: (No shareholder questions, the results of the vote in this case are as follows)

Voting Results (including votes casted electronically)	% of the total represented share present
Approval votes:78,914,337 votes (4,476,793 votes)	97.71%
Disapproval votes: 26,553 votes (26,533 votes)	0.03%
Invalid votes: None	0.00%
Abstention votes:1,822,081 votes (634,698 votes)	2.25%

According to the voting results: this case was passed as proposed by the board of directors.

(II)Report: 2022 Earnings Distribution Table. (Proposed by the board of directors)

Explanation: The 2022 Earning Distribution Table is attached as [Attachment IV].

Resolution: (No shareholder questions, the results of the vote in this case are as follows)

Voting Results (including votes casted electronically)	% of the total represented share present
Approval votes:78,916,576 votes (4,478,709votes)	97.71%
Disapproval votes: 28,633 votes (28,633votes)	0.03%
Invalid votes: None	0.00%
Abstention votes:1,817,762 votes (630,702votes)	2.25%

According to the voting results: this case was passed as proposed by the board of directors.

Discussions

(I) Report: Capital reduction in cash of the Company. (Proposed by the board of directors)

Explanation:

1. To adjust the capital structure and improve the return on equity, the Company intends to reduce its capital by cash and repay the shareholders.
2. The capital reduction amounted to NT$216,685,020 with 21,668,502 shares cancelled. Based on the total number of issued shares of 108,342,510 common shares, the capital reduction ratio was approximately 20%, and the cash repaid per share was approximately NT$2.0, payable up to NT$, with the amount below NT$ rounded off. The reduced share capital is NT$866,740,080 (86,674,008 shares), and all of the reduced share capital is repaid in cash in proportion to each shareholder's shareholding; however, the amount of paid-in capital after the capital reduction and the actual capital reduction ratio are calculated based on the total number of issued shares on the record date of the capital reduction and share exchange.
3. After this proposal is approved by the shareholders' meeting and reported to the competent authorities, the Chairman of the Board is authorized to set the record date of the capital reduction and the record date of the exchange of shares for the capital reduction and other related matters.
4. Based on the aforementioned total number of issued shares, each thousand shares shall be reduced by 200 shares (i.e., 800 shares per thousand shares), and any fractional shares that are less than one share after the capital reduction may be pieced together into whole shares by the shareholders themselves at the Company's stock affairs agent within five days prior to the closing date of the capital reduction and share exchange. If there is still less than one share of

fractional shares after the pooling or if the pooling is overdue, cash will be paid according to the closing price on the last trading day of the Taiwan Stock Exchange before the record date of the capital reduction and share exchange, calculated up to NT$ (rounded off below NT$), and the fractional shares shall be authorized to be purchased by the Chairman of the Board of Directors in consultation with a specific person at that closing price.

5. The new shares to be exchanged for the cash capital reduction are intended to be issued share certificated in scripless form, and their rights and obligations are the same as those of the original shares.
6. If there is a change in the Company's share capital prior to the date of the cash capital reduction, which affects the number of outstanding shares issued and outstanding, resulting in the need to adjust the capital reduction ratio and the refund amount per share, or if the case needs to be amended due to the amendment of laws and regulations, approval by the competent authorities, or in response to other objective changes in circumstances, it is proposed that the shareholders' meeting authorize the Chairman to handle the case at his sole discretion.

Questions from shareholders: (account number: 4900 Investors protection center)

Q1: Reasons, necessity and rationality of this Cash eduction

Answer: In order to improve shareholders' return on equity and adjust the capital structure, the Board of Directors of Hunya Foods Co., Ltd. has decided to reduce cash and return capital to cope with changes in the general economic and industrial environment, taking into account the impact of business cycle fluctuations on future operations, financial structure and cash flow. In this way, stable returns for shareholders should be achieved.

Q2: Sources of Funds for this Cash Reduction and its impact on the company Finance, normal business operations and stability of capital structure

Answer: The funding for this cash reduction comes solely from the Company's equity. According to the parent company only financial report for 2022, cash inflow from operating activities was NTD 130 million, and the debt-to-equity ratio was 28%. The Company's financial structure is healthy, and this cash reduction will not affect the funds needed for future plans and operations, nor will it have a negative impact on the normal operation of the Company's finances, business activities, or the stability of the capital structure.

Q3: Did the Company conduct any capital increases in 2023 and 2024; and distributions of new shares are planned for the coming year?

Answer: The Company did not conduct any capital increases in 2023 and 2024, and no capital increases or distributions of new shares are planned for the coming year.

Q4: The amount required for the cash capital reduction and return of shares scheduled for this time is NT 216,685,000 (approximately NT$270 million), which is greater than the amount of NT 49,842,000 (approximately NT$50 million) in the "cash and equivalent cash" of the parent company only financial statements in 2022), please give a further explanation on the source of funds for this cash capital reduction

Answer:The source of funds for this cash reduction is entirely from internal funds. According to the parent company only financial statements of 2022, the cash inflow from operating activities amounted to NT$130 million, with a debt ratio of 28%. The company has a healthy financial structure, and this cash reduction will not affect future plans, operational funding requirements, or have any adverse impact on the company's financials, normal operations, or capital structure stability. The required amount for the cash reduction and return of funds is approximately NT$217 million, which is greater than the "cash and cash equivalents" in the individual financial report (approximately NT$50 million). The main source of internal funds is the proceeds from the disposal of financial assets, amounting to NT$284.15 million. However, to effectively utilize funds and reduce interest expenses, we have temporarily repaid short-term borrowings, and the current portion of long-term borrowings, and made early repayments of some long-term borrowings. This has led to a decrease in the debt ratio in the individual financial report from 39% to 28%, with the ending balance of cash and cash equivalents at approximately NT$50 million. Additionally, the company holds financial assets at the end of the period (with market liquidity, as described in Note 1) amounting to approximately NT$514 million (as detailed on page 68 of the parent company only financial report). These assets can be readily disposed of as a source of funds. Therefore, the source of funds is entirely from internal resources.

Q5: Also, the parent company only financial statements in 2022 cash flow shows a net cash outflow of NT 156,354,000, please explain in detail the decision-making considerations for this cash reduction of NT 216,685,000

Answer:After evaluating various investment plans and operating funds, as mentioned earlier, there is still sufficient liquidity available. Even in the face of rising interest rates, the debt ratio can still be maintained below 40% after the reduction and return of capital. To enhance the return on equity for shareholders while ensuring the safety of the financial structure, the cash reduction is the best option for shareholders.

Note 1: The financial asset held by the Company had good market liquidity in 2022 with a trading volume of 202,978,588 thousand NTD, 439,357 thousand shares traded and an average price of NTD 461.99.

Resolution:

Voting Results (including votes casted electronically)	% of the total represented share present
Approval votes:78,871,655 votes (4,434,111 votes)	97.65%
Disapproval votes: 80,339 votes (80,399 votes)	0.09%
Invalid votes: None	0.00%
Abstention votes 1,810,977 votes (623,594 votes)	2.24%

According to the voting results: this case was passed as proposed by the board of directors.

Election Matters

Report: By-election of Independent Directors. (Proposed by the board of directors)

Explanation:

1. The by-election of independent directors was held at the Annual Meeting of Shareholders in accordance with Article 4 of the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".
2. The by-election of one independent director is based on the candidate nomination system, and the shareholders shall elect the candidate from the list of director candidates for the term from June 20, 2023 to June 28, 2025. For the list of candidates, please refer to [Attachment V].

Election result:

Hunya Foods Co., Ltd.

2023 elected directors list

Position	Name	Vote received	Remarks
Independent director	Cheng-Chiu Yang	78,809,786	Election

Extempore Motions

None.

Adjournment

(Meeting was adjourned at 10:00AM on the same day)

Attachments I

Business report.

With the recent domestic and international economic situation under the influence of Covid-19, Russia-Ukraine war, high inflation and climate change, the economic performance in 2022 was not satisfactory. Most countries implemented monetary policy tightening to control high inflation, and the negative impact of rising inflation, policy tightening and financial pressure made the global economic prospects turning down. In the food industry, global raw material prices have been rising since the second half of 2020, and many of them have even reached record highs. However, with the economic development and social changes, in addition to the need for more flexible response, Hunya is committed to stabilize product quality and create a stronger brand competitiveness to reward consumers and the public.

To become an important brand in the minds of Taiwanese consumers for "comfort food", Hunya's strategy is to enhance its brand power, boost the Gen Z consumer group, and successfully launch products that meet trends and needs. Under this strategy, we will enhance brand equity and business influence through accurate and insightful marketing communication, unique brand proposition and relatively competitive Share of Voice (SOV), attract new Gen Z consumers and consolidate existing ones through brand rejuvenation and strategic cooperation to increase brand penetration, and revitalize brand momentum through the launch of new products with consumer insight, in line with market trends and meeting consumer needs. Therefore, the media voice/marketing communication is precisely targeted at consumers/users and combined with the channel mix and product mix corresponding to consumer behavior to form a systematic product development strategy with better near-term benefits.

In the face of the strong development of modern channels, the tightening of bargaining space, the demand for a small amount of diversity to survive and transform the channels, the increase of R&D and production costs and the boom of E commerce, Hunya as a food manufacturer is under pressure to operate and profitability room is constantly compressed, the corresponding solutions are as follows:

- Segmented channel-based product strategy
- Low volume, high variety production line layout and R&D strategy
- Digital, self-owned channels and the deployment of talent
- Expect to be a partner in the development of channel products

The results of product development in 2022 are a testament to Hunya's efforts and effectiveness in core product development.

- Awarded six stars in the ITQI Global Sweet Snacks, Biscuit Bars, Cookies, Chocolate, and Confectionery Snacks categories, accounting for 7% of the 87 stars awarded in Taiwan.
- ALWAYS 90% Pingtung Cocoa Dark Chocolate won the gold medal in the 2022 Monde Selection International Quality Award.
- Formosa Oolong Tea Chocolate Balls won the International Chocolate Awards Gold Medal.

However, in terms of smart manufacturing development, Hunya has completed the first stage of digital planning and transformation since the introduction of SAP and ERP in 2019, and is now in the second stage of factory wisdom process by introducing MES and WMS, and expanding to SCM platform tandem planning. We are planning for future AI-related applications and combining with Hunya BI Strategy Office in order to achieve the complete implementation of smart manufacturing. In 2022, the AI intelligent model system was recognized by the Administration for Digital Industries, moda with a 50% grant for the digitization of key process parameters and AI intelligent model system. The construction of the AI intelligent model system can solve the long-term pain points of labor consumption and quality inspection feedback, and drive revenue growth, increase effective labor hours by more than 18.5%, and reduce process waste by 37.5%. It is a milestone in the digitalization and intellectualization of domestic food industry. By obtaining FSSC certification, Hunya's products are recognized by food inspection agencies around the world, strengthening the ability of major international retail chains to take orders and making quality commitments to consumers.

In the face of changes and challenges in the general business environment, the Company's strategic development direction is as follows:

- Bringing consumers a satisfying Taiwanese casual snacking experience with deliciousness and peace of mind (77)
- Featured local ingredients, French techniques, lifestyle, comfortable space, and professional service make Rivon a stylish bakery gift store (Rivon)
- Become the most suitable pipeline for the circulation of domestic and foreign specialty goods
- Creating an efficient green plant with sustainable cycles and leading technology
- Shorten time and distance with digital technology to quickly meet consumer needs (digital transformation)

Under the guidance of corporate social responsibility and sustainable management strategy, Hunya received the AREA (Asia Responsible Enterprise Awards) Green Leadership Award, the only award in the food industry in Taiwan, and the 2022 TCSA Taiwan Corporate Sustainability Award - Food & Beverage and Food Industry - Gold Award. In the future, Hunya will continue to build a sustainable and well-being enterprise in Taiwan by using the three cores (trust, passion, and innovation) as the five main perspectives.

The operating results for 2022 are as follows:

1. Implementation Results of Business Plan

The Company's consolidated net operating revenues for 2022 were NT$2,108,653 thousand, an increase of NT$353,538 thousand or 20.14% over the consolidated net operating revenues for 2021 of NT$1,755,115 thousand. Net income before tax was NT$466,846 thousand, an increase of NT$436,413 thousand compared with the net loss before tax of NT$30,433 thousand in 2021.

The increase in non-operating income was mainly due to the disposal of property, plant and equipment of NT$445,345 thousand.

2. Budget Implementation

Unit: NT$ thousands

Item \ Year	2022		
	Actual amount	Budget amount	Achievement rate (%)
Net operating income	2,108,653	2,045,448	103%
Gross Profit	568,730	613,634	92%
Operating profit	4,372	53,831	8.1%
Net profit before tax	466,846	47,389	985.14%

The budget implementation is still in line with expectations, with revenue and gross profit achieved at over 90%. The gross profit margin was mainly due to the increase in raw materials and shortage of materials, which affected the capacity utilization rate, and the fixed nature of various expenses that needed to be adjusted and controlled.

3. Financial Revenue and Profitability Analysis

(1) Financial income and expenditure

Unit: NT$ thousands

Item	2022	2021	Increase (Decrease) Amount	Increase (Decrease) %
Net operating income	2,108,653	1,755,115	353,538	20.14%
Gross Profit	568,730	452,291	116,439	25.74%
Operating profit	4,372	(48,607)	52,979	(108.99%)
Net profit before tax	466,846	(30,433)	497,279	(1634.01%)
Net profit after tax	424,156	(27,357)	451,513	(1650.45%)

For 2022, consolidated net operating income increased by 20.14%, gross profit increased by 25.74%, operating income increased by 108.99% and net income increased by 1,650.45% compared to 2021. The increase in non-operating income was mainly due to the disposal of property, plant and equipment, which resulted in an increase of NT$445,345 thousand in the current year.

(2) Profitability

Item	2022	2021
Return on assets (%)	11.36	(0.73)
Returen on equity (%)	16.76	(1.46)
Ratio of income to paid-in capital (%)	0.40	(4.49)
Ratio of net proft before tax to paid-in capital (%)	43.09	(2.81)
Net ratio (%)	20.12	(1.56)
Earnings per share after tax (NT$)	3.91	(0.25)

According to the profitability indicators, the Company's profitability in 2022 was significantly higher than that in 2021. This is mainly due to the improvement in profitability and the impact of the profit from disposal of properties.

4. Research and Development

In terms of research and development, the application of various functional materials, such as GABA, lactic acid bacteria, food fiber, immunity enhancement, bone strengthening, etc., and the needs of market consumption can better highlight the characteristics of our products. The development of products with high profitability, organic, no additives, sugar reduction, high protein, plant heat, natural ingredients, innovation and highlights can only obtain the attention from the market and consumers and thus enhance product value and market share. For the current equipment in the factory, we can improve the manufacturing efficiency and performance with flexible manufacturing by deriving new products with minimum investment. We conduct deeper research on core technologies, analyze resource consumption (raw materials, energy, manpower), technology levels, and low variability for improvement, and then unify more advanced processes.

II. 2023 Business Plan Overview

(I) Operating Policy:

Looking ahead, we will continue to develop new products, new markets and meet the real needs of consumers. We will continue to strengthen our supply chain management and manufacturing process to improve yields, reduce costs, and strictly improve food safety and competitiveness. We are confident that we will be able to improve our operating performance and generate more profits in the new year.

1. To be the leading brand of "comfort food", we continue to introduce healthy and quality products to create a win-win situation with our customers to achieve good results.
2. We plan our financial structure carefully, strengthen our corporate governance, and actively supervise and manage our operations through strict budget control and financial auditing in order to improve operational performance, maximize the interests of our shareholders, value the welfare of our employees, and actively contribute to society.

3. We continue to digitize and smarten business processes to improve the flexibility and efficiency of internal and external feedback and response.

(II) Expected sales volume and its basis

Prepared by the Company's management unit in accordance with operating trends and annual plans:

Product items	Expected sales quantity (boxes)
Chocolate (candy)	782,564
Wafer biscuits	4,823,477
Wedding cake (pastry)	1,262,233
Other	153,000

(III) Major production and sales policies:

1. We have developed a variety of products to meet the needs of consumers by focusing on the ingredients and functionality of our products.
2. To boost the share of sales of high-end wedding cakes and festive products, we have been promoting the promotion of souvenir and retail products.
3. We are actively expanding into global markets with our local production advantages.
4. Production development uses renewable energy in a circular economy and reduces waste by redesigning materials, products, processes and business models. We will continue to pursue our strategy of "local sustainability and well-being".

In early 2022, we acquired our subsidiary, Croissants Bakery Ltd., through an equity transaction, the first of its kind for Hunya. After a careful evaluation process, we are confident that we will be able to create a win-win situation and achieve our growth targets. Hunya and Croissants Bakery not only have complementary business models, but we also highly recognize the strategic approach of their management teams, which will certainly complement each other's operations and lead to prosperous results. The Company's management team takes people as the target, builds the foundation of five strategic axes, creates the prospect of sustainable management, transmits happiness to the five stakeholder groups, communicates with consumers on the product side to share the sweet taste of peace of mind, enables the next generation to inherit a fresh and abundant future on the environmental side, creates a mutually beneficial and co-prosperous relationship with partners, injects joyful and positive energy into society, and creates a vibrant and friendly workplace for employees. **We will create "Happy Moments" for our customers with a sincere heart", and we hope that happiness will not only last for this moment, but also last forever.**

Today, we are proud to have the opportunity to report to all shareholders on our 2022 operating profile. We will continue to seek and thank all shareholders for their support and love in the new year, and all of us will work even harder to create even greater results to share with all shareholders.

Chaireman:	President:	Accounting Supervisor:
Yun-Chi Chang	Yun-Chi Chang	Tsai-Yun Yu

Attachments II

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2022 Business Report, Financial Statements (including consolidated and parent company only financial reports) and Proposal of Earnings Distribution, among which the Financial Statements have been audited by Ernst & Young, by whom an audit report has been issued accordingly. The above statements and reports have been examined and reviewed by the Audit Committee and no irregularities were found. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Hunya Foods Co., Ltd.

Convener of the Audit Committee: Tsung-Pen Chang

February 22, 2023

Attachments III

Independent Auditors' Report

To Hunya Foods Co. Ltd.:

Opinions

We have audited the Parent Company Only Balance Sheet of Hunya Foods Co. Ltd. as of December 31, 2022 and 2021, Parent Company Only Statements of Comprehensive Income, Parent Company Only Statements of Changes in Equity, Parent Company Only Statements of Cash Flows, and Notes to Parent Company Only Financial Statements (including Summary of Significant Accounting Policies) for the annual periods from January 1 to December 31, 2022 and 2021.

In our opinion, the aforementioned Parent Company Only Financial Statements present fairly, in all material respects, the financial position of Hunya Foods Co. Ltd. as of December 31, 2022, and 2021, and its financial performance and cash flows for the annual periods ended December 31, 2022, and 2011, in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Opinions

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 Parent Company Only Financial Statements" section of our report. We are independent of Hunya Foods Co. Ltd. in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 key matters refer to those most material key matters for the audit on the Parent Company Only Financial Statements of the year 2022 of Hunya Foods Co. Ltd., based on the professional judgment of the accountant. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory valuation

As of December 31, 2022, Hunya Foods Co. Ltd.'s inventory amounts to NT$224,109 thousand and accounts for 5% of total parent company only assets and was material to the financial statements. Since the prices of inventory products are subject to competition from industry peers and may decrease, and since inventories are evaluated based on the number of days to expiration, the calculation of the net realizable value of inventories is complicated. Therefore, inventory evaluation is one of the important evaluation items in the accountant's auditing on the financial review of Hunya Foods Co. Ltd. Our audit procedures include, but are not limited to, those relating to the following: Understanding the internal control system established by management for inventory valuation management, evaluating the net realizable value estimated by management for inventory valuation, including sampling the relevant import and export certificates used by management to evaluate the net realizable value of inventory to verify the net realizable value used by management; sampling the inventory inbound and outbound records to verify the correctness of inventory aging and the reasonableness of the allowance for doubtful losses based on inventory aging; and conducting analytical procedures for inventory balances and inventory turnover rates. We also consider the appropriateness of the disclosure of inventories in the parent company only financial statements, as described in Note 4.9, Note 5 and Note 6 to the parent company only financial statements.

Allowance for loss on accounts receivable

As of December 31, 2022, the carrying amounts of accounts receivable and allowance for losses of Hunya Foods Co. Ltd. were NT$414,323 thousand and NT$997 thousand, respectively, and the net accounts receivable accounted for 10% of total individual assets and were material to the financial statements. Since the allowance for losses on accounts receivable is measured based on the expected credit losses over the period of time, the measurement process requires appropriate grouping of accounts receivable and judgmental analysis of the use of assumptions related to the measurement process, including the appropriate aging range, the loss rate for each aging range and the consideration of forward-looking information. Therefore, this is one of the important evaluation items in the accountant's auditing on the financial review of Hunya Foods Co. Ltd. Our audit procedures include, but are not limited to, those relating to the following: Verifying if customer groups with significantly different loss types are appropriately grouped; testing the reserve matrix, including assessing the reasonableness of the determination of the age range of each group and checking the correctness of the original evidence against the underlying information; testing statistical information related to loss ratio calculated by rolling rate; considering the reasonableness of the forward-looking information included in the loss ratio assessment; and assessing whether such forward-looking information affects the loss ratio. In addition, we perform analytical review procedures to evaluate whether there is any significant abnormality in the two-period comparison of the changes in accounts receivable. The collectability of accounts receivable is evaluated by reviewing the collection status of accounts receivable after the due date for customers with large receivable balances at the end of the period. We also considered the appropriateness of the disclosure of accounts receivable in the parent company only financial statements as described in Note 5, Note 6 and Note 12.4 to the parent company only financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

To ensure that the Parent Company Only Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Parent Company Only Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Parent Company Only Financial Statements.

In preparing the Parent Company Only Financial Statements, the management is responsible for assessing Hunya Foods Co. Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Aurora Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing Hunya Foods Co. Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company Only Financial Statements as a whole are free from material misstatements, 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 professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 controls 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 internal controls of Hunya Foods Co. Ltd.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of the 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 Hunya Foods Co. Ltd.'s ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Hunya Foods Co. Ltd. to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Parent Company Only Financial Statements (including relevant Notes), and whether the Parent Company Only Financial Statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Hunya Foods Co. Ltd. to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Group's audits.

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 the key audit matters of Hunya Foods Co. Ltd.'s Parent Company Only Financial Statements for the year ended December 31, 2022. 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.

Ernst & Young, Taiwan
Financial Report of TWSE Listed Company as Authorized by the Competent Authority
Auditing and Attestation No.: No. FSC (6) No. 0930133943
No. FSC (6) No. 0970038990

CPA: Hsu, Jung-Huang
Huang, Chien-Tse

February 23, 2023

<u>Notices to Readers</u>

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

For the convenience of readers, the independent auditors' report and the accompanying 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 financial statements shall prevail.

Hunya Foods Co., Ltd.

Balance Sheets
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Assets	**2022**		**2021**	
Current assets		%		%
Cash and cash equivalents (Note 4 and 6)	$49,842	1	$206,196	6
Notes receivable, net (Note 4 and 6)	2,843	-	3,737	-
Accounts receivables, net (Note 4 and 6)	413,326	10	369,779	11
Notes receivable from related parties, net (Note 4、6 and 7)	127	-	22,893	1
Other receivables	195	-	397	-
Other receivables from related parties	59	-	-	-
Inventories (Note 4 and 6)	224,109	5	250,644	7
Prepayments	24,597	1	18,800	1
Non-current assets held for sale (Note 4 and 6)	-	-	17,236	-
Other current assets	32,297	1	6,077	-
Total current assets	747,395	18	895,759	26
Non-current assets				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 6)	1,014,719	25	761,836	22
Investments accounted for using the equity method	192,000	5	-	-
Property, plant and equipment (Note 4 and 6)	1,645,918	40	1,348,443	39
Right-of-use assets (Note 4 and 6)	30,733	1	39,731	1
Investment properties,net (Note 4 and 6)	151,460	4	150,990	4
Intangible assets (Note 4 and 6)	16,208	-	22,829	1
Deferred tax assets (Note 4 and 6)	19,582	1	22,978	1
Other non-current assets (Note 4 and 6)	252,906	6	221,680	6
Total non-current assets	3,323,526	82	2,568,487	74
Total	$4,070,921	100	$3,464,921	100

Liabilities and equity				
		%		%
Current liabilities				
Short-term borrowings (Note 6)	$44,867	1	$60,000	2
Short-term bills payable (Note 6)	-	-	69,978	2
Contract liabilities - current	19,452	1	33,595	1
Notes payable	727	-	264	-
Accounts payables	207,106	5	214,447	6
Acoounts payables from related parties	106	-	-	-
Other payables	293,596	7	243,251	7
Current tax liabilities (Note 4 and 6)	13,575	-	5,344	-
Lease liabilities - current (Note 4 and 6)	14,354	-	15,206	-
Other current liabilities	19,099	1	19,426	1
	-		60,000	2
Current portion of long-term borrowings (Note 6)				
Total current liabilities	612,882	15	721,511	21
Non-current liabilities	488,889	12	550,000	16
Long-term borrowings (Note 6)	5,485	-	5,496	-
Deferred tax liabilities (Note 4 and 6)	16,795	1	24,602	1
Lease liabilities - non-current (Note 4 and 6)	4,091	-	3,989	-
Other non-current liabilities	10,173	-	19,387	1
Net defined benefit liabilities - non-current (Note 4 and 6)	-	-	10,770	-
Loan from Investments accounted for using the equity method (Note 4 and 6)	525,433	13	614,244	18
Total non-current liabilities	1,138,315	28	1,335,755	39
Total liabilities				
Equity attributable to owners of the company				
Share capital				
Ordinary shares (Note 6)	1,083,425	27	1,083,425	31
Capital surplus (Note 6)	34,205	1	33,842	1
Retained earnings		-		-
Legal reserve	261,433	6	255,841	7
Unappropriated earnings (Note 6)	771,963	19	188,486	6
Total retained earnings	1,033,396	25	444,327	13
Other equity	781,580	19	566,897	16
Total equity	2,932,606	72	2,128,491	61
Total	$4,070,921	100	$3,464,246	100

Hunya Foods Co., Ltd.

Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022	%	2021	
Operating revenue (Note 4 and 6)	$ 1,871,540	100	$ 1,741,753	100
Operating costs (Note 6 and 7)	(1,356,013)	(72)	(1,292,940)	(74)
Gross profit	515,527	28	448,813	26
Unrealized gross profit	-	-	(57)	-
Realized gross profit	57	-	1,256	-
Gross profit	515,584	28	450,012	26
Operating expenses (Note 6)				
Selling expenses	(384,862)	(21)	(385,743)	(22)
Administrative expenses	(116,976)	(6)	(79,088)	(5)
Research and development expenses	(18,129)	(1)	(15,052)	(1)
Other gains and losses	(9,983)	(1)	-	-
Total operating expenses	(529,950)	(29)	(479,883)	(28)
Loss from operations (Note 4 and 6)	(14,366)	(1)	(29,871)	(2)
Non-operating income and expenses				
Other income (Note 4 and 6)	29,016	2	20,098	1
Other gains and losses (Note 6 and 7)	437,955	23	(991)	-
Finance costs (Note 6)	(7,596)	-	(5,791)	-
Profit (loss) share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	18,819	1	(13,878)	(2)
Total non-operating income and expenses	478,194	26	(562)	-
Profit (loss) before income tax from operations	463,828	25	(30,433)	(2)
Income tax (expense) benefit	(39,672)	(2)	3,076	-
Net profit (loss) from operations	424,156	23	(27,357)	(2)

(Continued)

Hunya Foods Co., Ltd.

Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	6,163	-	(1,842)	-
Unrealized gain(loss) on investments in equity instruments at fair value through other comprehensive income	442,030	23	576,374	33
Share of the other comprehensive income of associates accounted for using the equity method	432	-	-	-
Income tax related to items that will not be reclassified subsequently to profit or loss	(14,811)	-	(4,976)	-
Items that may be reclassified subsequently to profit or loss: (Note 6)				
Exchange differences on translation of the financial statements of foreign operations	(58)	-	(63)	-
Income tax related to items that may be reclassified subsequently to profit or loss	11	-	12	-
Other comprehensive income(loss) for the year, net of income tax	433,767	23	569,505	33
Total comprehensive income for the year	$ 857,923	46	$ 542,148	31
Net profit(loss) attributable to:				
Owner(s) of the Company	$ 424,156		$ (27,357)	
Total comprehensive income attributable to:				
Owner(s) of the Company	$ 857,923		$ 542,148	
Earnings (loss) per share				
From continuing operations (Note 6)				
Basic earnings per share	$ 3.91		$ (0.25)	

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

Hunya Foods Co., Ltd.

Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings								
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Translation of the Translation of the Financial Statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury Shares	Total	Non-controlling Interests	Total Equity
Balance at January 1, 2021	$1,083,425	$ 33,812	$253,896	$ -	$156,183	$ (830)	$ 81,495	$ -	$1,607,981	$ -	$1,607,981
Changes in other capital reserves											
Other	-	30	-	-	-	-	-	-	30	-	30
Earnings Assignment and Distribution in 2020											
Legal reserve	-	-	1,945	-	(1,945)	-	-	-	-	-	-
Cash dividends distributed by the Company	-		-		(21,668)	-	-		(21,668)	-	(21,668)
Net loss for the year ended December 31, 2021	-	-	-	-	(27,357)	-	-	-	(27,357)	-	(27,357)
Other comprehensive income (loss) for the year ended December 31, 2021 net of income tax	-	-	-	-	(1,473)	(51)	571,029	-	569,505	-	569,505
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(28,830)	(51)	571,029	-	542,148	-	542,148
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	84,746	-	(84,746)	-	-	-	-
Balance at December 31, 2021	$1,083,425	$ 33,842	$255,841	$ -	$188,486	$ (881)	$567,778	$ -	$2,128,491	$ -	$2,128,491
Balance at January 1, 2022	$1,083,425	$ 33,842	$255,841	$ -	$188,486	$ (881)	$567,778	$ -	$2,128,491	$ -	$2,128,491
Changes in other capital reserves											
Other	-	363	-	-	-	-	-	-	363	-	363
Earnings Assignment and Distribution in 2021											
Legal reserve	-	-	5,592	-	(5,592)	-	-	-	-	-	-
Cash dividends distributed by the Company	-		-	-	(54,171)	-	-		(54,171)	-	(54,171)
Net income for the year ended December 31, 2022	-	-	-	-	424,156	-	-	-	424,156	-	424,156
Other comprehensive income (loss) for the year ended December 31, 2022 net of income tax	-	-	-	-	5,362	(47)	428,452	-	433,767	-	433,156
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	429,518	(47)	428,452	-	857,923	-	857,923
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	213,722	-	(213,722)	-	-	-	-
Balance at December 31, 2022	$1,083,425	$ 34,205	$261,433	$ -	$771,963	$ (928)	$782,508	$ -	$2,932,606	$ -	$2,932,606

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

Hunya Foods Co., Ltd.

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	$ 463,828	$ (30,433)
Adjustments for:		
Depreciation expense	136,358	142,756
Amortization expense	39,621	34,141
Interest expense	7,596	5,791
Interest income	(242)	(40)
Other income	(164)	(612)
Profit and loss share of subsidiaries, affiliated enterprises and joint ventures recognized using the equity method	(18,819)	(13,878)
Unrealized gross profit	-	57
Realized gross profit	(57)	(1,256)
Gain on disposal of property, plant and equipment	(445,113)	(996)
Losses on disposals of property, plant and equipment	-	875
Net loss (gain) on foreign currency exchange	5,074	(351)
Other income-Gain recognized in bargain purchase transaction	(8,520)	-
Changes in operating assets and liabilities		
Decrease in notes receivable	894	6,413
Increase in trade receivables	(43,547)	(67,804)
Decrease in trade receivables from related parties	22,766	541
Decrease in other receivables	202	12,928
Increase in other receivables from related parties	(59)	-
Decrease in inventories	26,535	35,299
(Increase) decrease in prepayments	(5,797)	7,301
Increase in other current assets	(26,220)	(3,537)
(Increase) decrease in contract liabilities	(14,143)	9,978
Increase (decrease) in notes payable	463	(712)
Decrease in trade payables	(7,341)	(15,368)
Increase in trade payables from related parties	106	-
Increase in other payables	50,345	41,255
Decrease in other current liabilities	(327)	(552)
Decrease in net defined benefit liability	(4,284)	(2,097)
Cash generated from operations	179,155	187,455
Interest income received	242	40
Interest paid	(7,064)	(5,197)
Income tax paid	(41,623)	(1,754)
Net cash generated from operating activities	130,710	180,544
Cash flows from investing activities		
Increase in investments using the equity method	(175,000)	-
Acquisition of property, plant and equipment	(309,573)	(87,233)
Proceeds from disposal of property, plant and equipment	463,738	1,187
Purchase of financial assets at fair value through other comprehensive income	(95,000)	-

(Continued)

Hunya Foods Co., Ltd.

Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	2022	**2021**
Disposal of financial assets at fair value through other Comprehensive income	284,147	87,040
Decrease in refundable deposits	328	22
Acquisition of intangible assets	(3,396)	(2,206)
Increase in other non-current assets	(168,247)	(140,792)
Net cash generated used in investing activities	(3,103)	(141,982)
Cash flows from financing activities		
Cash dividends paid	(54,171)	(21,668)
(Decrease) Increase in short-term loans	(15,133)	60,000
(Decrease) Increase in short-term notes and bills payable	(69,978)	10,016
(Decrease) Increase current portion of long-term debt	(60,000)	40,000
(Decrease) Increase of long-term debt	(61,111)	30,000
Increase in other non-current liabilities	217	49
Increase capital reserve - other	363	30
Payments of lease liabilities	(19,074)	(18,883)
Net cash generated (used in) from financing activities	(278,887)	99,544
Effect of exchange rate changes on cash and cash equivalents	(5,074)	351
Net (decrease) increase in cash and cash equivalents	(156,354)	138,457
Cash and cash equivalents at the beginning of the year	206,196	67,739
Cash and cash equivalents at the end of the year	$ 49,842	$ 206,196

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

Independent Auditors' Report

Hunya Foods Co., Ltd.:

Opinions

We have audited the accompanying consolidated balance sheets of Hunya Foods Co., Ltd. and its subsidiaries (the “Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Hunya Foods Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinions

We conducted our audits in accordance with the Regulations Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. 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 Hunya Foods Co., Ltd. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 of Hunya Foods Co., Ltd. and its subsidiaries for the year ended December 31, 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory valuation

As of December 31, 2022, Hunya Foods Co., Ltd. and its subsidiaries' inventory amounts to NT$234,250 thousand and accounts for 66% of the consolidated total asset, which is material to the financial statements. Since the prices of inventory products are subject to competition from industry peers and may decrease, and since inventories are evaluated based on the number of days to expiration, the calculation of the net realizable value of inventories is complicated. Therefore, inventory evaluation is one of the important evaluation items in the accountant's auditing on the financial review of Hunya Foods Co. Ltd. and its subsidiaries. Our audit procedures include, but are not limited to, those relating to the following: Understanding the internal control system established by management for inventory valuation management, evaluating the net realizable value estimated by management for inventory valuation, including sampling the relevant import and export certificates used by management to evaluate the net realizable value of inventory to verify the net realizable value used by management; sampling the inventory inbound and outbound records to verify the correctness of inventory aging and the reasonableness of the allowance for doubtful losses based on inventory aging; and conducting analytical procedures for inventory balances and inventory turnover rates. We also consider the appropriateness of the disclosure of inventories in the consolidated financial statements, as described in Note 4.9, Note 5 and Note 6 to the consolidated financial statements.

Loss allowance for accounts receivable

As of December 31, 2022, the carrying amounts of accounts receivable and allowance for losses of Hunya Foods Co. Ltd. and its subsidiaries were NT$447,976 thousand and NT$997 thousand, respectively, and the net accounts receivable accounted for 11% of total individual assets and were material to the financial statements. Since the allowance for losses on accounts receivable is measured based on the expected credit losses over the period of time, the measurement process requires appropriate grouping of accounts receivable and judgmental analysis of the use of assumptions related to the measurement process, including the appropriate aging range, the loss rate for each aging range and the consideration of forward-looking information. Therefore, this is one of the important evaluation items in the accountant's auditing on the financial review of Hunya Foods Co. Ltd. and its subsidiaries. Our audit procedures include, but are not limited to, those relating to the following: Verifying if customer groups with significantly different loss types are appropriately grouped; testing the reserve matrix, including assessing the reasonableness of the determination of the age range of each group and checking the correctness of the original evidence against the underlying information; testing statistical information related to loss ratio calculated by rolling rate; considering the reasonableness of the forward-looking information included in the loss ratio assessment; and assessing whether such forward-looking information affects the loss ratio. In addition, we perform analytical review procedures to evaluate whether there is any significant abnormality in the two-period comparison of the changes in accounts receivable. The collectability of accounts receivable is evaluated by reviewing the collection status of accounts receivable after the due date for customers with large receivable balances at the end of the period. We also considered the appropriateness of the disclosure of accounts receivable in the consolidated financial statements as described in Note 5, Note 6 and Note 12.4 to the consolidated financial statements. We also consider the appropriateness of the disclosure of inventories in the consolidated financial statements, as described in Note 4.9, Note 5 and Note 6 to the consolidated financial statements.

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

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent Consolidated Financial Statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the Consolidated Financial Statements.

In preparing the Consolidated Financial Statements, the management is responsible for assessing Hunya Foods Co. Ltd. and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate Hunya Foods Co. Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing Hunya Foods Co. Ltd. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatements, 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 professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit 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 controls 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 internal controls of Hunya Foods Co. Ltd. and its subsidiaries.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of the 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 Hunya Foods Co., Ltd. and its subsidiaries' ability to operate 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 Hunya Foods Co., Ltd. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Hunya Foods Co., Ltd. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the Group's audits.

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 the key audit matters of Hunya Foods Co., Ltd. and its subsidiaries' Consolidated Financial Statements for the year ended December 31, 2022. 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.

Others

We have also audited the Parent Company Only Financial Statements of Hunya Foods Co., Ltd. for the years ended December 31, 2022 and 2011, on which we have issued an unqualified opinion.

Ernst & Young, Taiwan
Financial Report of TWSE Listed Company as Authorized by the Competent Authority
Auditing and Attestation No.: No. FSC (6) No. 0930133943
No. FSC (6) No. 0970038990

CPA: Rung-Huang Shiu
Jian-Tze Huang

February 23, 2023

Notices 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.

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated Balance Sheets
December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

Assets	**2022**	%	**2021**	%
Current assets				
Cash and cash equivalents (Note 4 and 6)	$ 68,219	2	$ 216,877	6
Notes receivable, net (Note 4 and 6)	4,187	-	3,737	-
Accounts receivables, net (Note 4 and 6)	446,979	11	369,779	11
Other receivables	195	-	621	-
Inventories (Note 4 and 6)	234,250	6	253,760	7
Prepayments	24,961	-	19,134	1
Non-current assets held for sale (Note 4 and 6)	-	-	17,236	1
Other current assets	32,310	1	6,077	-
Total current assets	811,101	20	887,221	26
Non-current assets				
Financial assets at fair value through other comprehensive income - non-current (Note 4 and 6)	1,014,719	25	761,836	22
Property, plant and equipment (Note 4 and 6)	1,811,357	44	1,348,443	39
Right-of-use assets (Note 4 and 6)	30,733	1	39,731	1
Investment properties,net (Note 4 and 6)	165,205	4	150,990	4
Intangible assets (Note 4 and 6)	16,275	-	22,829	1
Deferred tax assets (Note 4 and 6)	19,974	-	22,978	1
Other non-current assets (Note 4 and 6)	253,472	6	222,468	6
Total non-current assets	3,311,735	80	2,569,275	74
Total	$4,122,836	100	$3,456,496	100

Liabilities and equity	**2022**	%	**2021**	%
Current liabilities				
Short-term borrowings (Note 6)	$ 44,867	1	$ 60,000	2
Short-term bills payable (Note 6)	-	-	69,978	2
Contract liabilities - current	19,452	1	36,534	1
Notes payable	16,189	-	264	-
Accounts payables	216,170	5	214,447	6
Other payables	309,308	9	243,332	7
Current tax liabilities (Note 4 and 6)	13,575	-	5,344	-
Lease liabilities - current (Note 4 and 6)	14,354	-	15,206	-
Other current liabilities	19,830	1	19,426	1
Current portion of long-term borrowings (Note 6)	-	-	60,000	2
Total current liabilities	653,745	17	724,531	21
Non-current liabilities				
Long-term borrowings (Note 6)	488,889	12	550,000	16
Deferred tax liabilities (Note 4 and 6)	15,499	-	5,496	-
Lease liabilities - non-current (Note 4 and 6)	16,795	-	24,602	1
Other non-current liabilities	4,211	-	3,989	-
Net defined benefit liabilities - non-current (Note 4 and 6)	11,091	-	19,387	-
Total non-current liabilities	536,485	12	603,474	17
Total liabilities	1,190,230	29	1,328,005	38
Equity attributable to owners of the company				
Share capital				
Ordinary shares (Note 6)	1,083,425	26	1,083,425	32
Capital surplus (Note 6)	34,205	1	33,842	1
Retained earnings				
Legal reserve	261,433	6	255,841	7
Unappropriated earnings (Note 6)	771,963	19	188,486	6
Total retained earnings	1,033,396	25	444,327	13
Other equity	781,580	19	566,897	16
Total equity	2,932,606	71	2,128,491	62
Total	$4,122,836	100	$3,456,496	100

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

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022	%	2021	%
Operating revenue (Note 4 and 6)	$ 2,108,653	100	$ 1,755,115	100
Operating costs (Note 6 and 7)	(1,539,923)	(73)	(1,305,824)	(74)
Gross profit	568,730	27	452,291	26
Operating expenses (Note 6)				
Selling expenses	(419,121)	(20)	(400,069)	(23)
Administrative expenses	(127,242)	(6)	(85,777)	(5)
Research and development expenses	(17,995)	(1)	(15,052)	(1)
Total operating expenses	(564,358)	(27)	(500,898)	(29)
Profit (loss) from operations (Note 4 and 6)	4,372	-	(48,607)	(3)
Non-operating income and expenses				
Other income (Note 4 and 6)	31,895	2	20,135	1
Other gains and losses (Note 6 and 7)	438,428	20	3,842	-
Finance costs (Note 6)	(7,849)	-	(5,803)	-
Total non-operating income and expenses	462,474	22	18,174	1
Profit(loss) before income tax from operations	466,846	22	(30,433)	(2)
Income tax (expense) benefit	(42,690)	(2)	3,076	-
Net profit (loss) from operations	424,156	20	(27,357)	(2)

(Continued)

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

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated statements of comprehensive income
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022	%	2021	%
Other comprehensive income		%		%
Items that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	6,703	-	(1,842)	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	442,030	21	576,374	33
Income tax related to items that will not be reclassified subsequently to profit or loss	(14,919)	-	(4,976)	-
Items that may be reclassified subsequently to profit or loss: (Note 6)				
Exchange differences on translation of financial statements	(58)	-	(63)	-
Income tax related to components of other comprehensive income that will be reclassified to profit or loss	11	-	12	-
Other comprehensive income, net	433,767	21	569,505	33
Total comprehensive income for the year	$ 857,923	41	$ 542,148	31
Net profit(loss) attributable to:				
Owners of the Company	$ 424,156		$ (27,357)	
Total comprehensive income attributable to:				
Owners of the Company	$ 857,923		$ 542,148	
Earnings (loss) per share				
From continuing operations (Note 6)				
Basic earnings per share	$ 3.91		$ (0.25)	

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

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company										
			Retained Earnings								
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Translation of the Translation of the Financial Statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	Treasury Shares	Total	Non-controlling Interests	Total Equity
Balance at January 1, 2021	$1,083,425	$ 33,812	$253,896	$ -	$156,183	$ (830)	$ 81,495	$ -	$1,607,981	$ -	$1,607,981
Changes in other capital reserves											
Other	-	30	-	-	-	-	-	-	30	-	30
Earnings Assignment and Distribution in 2020											
Legal reserve	-	-	1,945	-	(1,945)	-	-	-*	-	-	-
Cash dividends distributed by the Company	-		-		(21,668)	-	-		(21,668)	-	(21,668)
Net loss for the year ended December 31, 2021	-	-	-	-	(27,357)	-	-	-	(27,357)	-	(27,357)
Other comprehensive income (loss) for the year ended December 31, 2021 net of income tax	-	-	-	-	(1,473)	(51)	571,029	-	569,505	-	569,505
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	(28,830)	(51)	571,029	-	542,148	-	542,148
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	84,746	-	(84,746)	-	-	-	-
Balance at December 31, 2021	$1,083,425	$ 33,842	$255,841	$ -	$188,486	$ (881)	$567,778	$ -	$2,128,491	$ -	$2,128,491
Balance at January 1, 2022	$1,083,425	$ 33,842	$255,841	$ -	$188,486	$ (881)	$567,778	$ -	$2,128,491	$ -	$2,128,491
Changes in other capital reserves											
Other	-	363	-	-	-	-	-	-	363	-	363
Earnings Assignment and Distribution in 2021											
Legal reserve	-	-	5,592	-	(5,592)	-	-	-*		-	-
Cash dividends distributed by the Company	-		-	-	(54,171)	-	-		(54,171)	-	(54,171)
Net income for the year ended December 31, 2022	-	-	-	-	424,156	-	-	-	424,156	-	424,156
Other comprehensive income (loss) for the year ended December 31, 2022 net of income tax	-	-	-	-	5,362	(47)	428,452	-	433,767	-	433,156
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	429,518	(47)	428,452	-	857,923	-	857,923
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	213,722	-	(213,722)	-	-	-	-
Balance at December 31, 2022	$1,083,425	$ 34,205	$261,433	$ -	$771,963	$ (928)	$782,508	$ -	$2,932,606	$ -	$2,932,606

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

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities		
Income before income tax	$ 466,846	$ (30,433)
Adjustments for:		
Depreciation expense	152,128	143,565
Amortization expense	39,634	34,141
Interest expense	7,849	5,803
Interest income	(288)	(78)
Other income	(164)	(612)
Gain on disposal of property, plant and equipment	(445,122)	(996)
Losses on disposals of property, plant and equipment	-	875
Net loss (gain) on foreign currency exchange	4,551	(5,498)
Changes in operating assets and liabilities		
Decrease in notes receivable	739	6,413
Increase in trade receivables	(41,764)	(67,487)
Decrease in other receivables	429	13,706
Decrease in inventories	29,776	45,647
(Increase) decrease in prepayments	(5,111)	8,041
Increase in other current assets	(26,198)	(3,537)
(Increase) decrease in contract liabilities	(17,134)	8,670
Increase (decrease) in notes payable	1,518	(712)
Increase (decrease) in trade payables	(6,750)	(15,986)
Increase in other payables	50,892	33,000
Decrease in other current liabilities	(423)	(552)
Decrease in net defined benefit liability	(2,934)	(2,097)
Cash generated from operations	199,954	171,873
Interest income received	288	78
Interest paid	(7,317)	(5,197)
Income tax paid	(41,515)	(1,754)
Net cash generated from operating activities	151,410	165,000
Cash flows from investing activities		
Acquisition of property, plant and equipment	(310,929)	(87,233)
Proceeds from disposal of property, plant and equipment	463,738	1,187
Net cash outflow on acquisition of subsidiary	(153,787)	-
Purchase of financial assets at fair value through other comprehensive income	(95,000)	-
Disposal of financial assets at fair value through other comprehensive income	284,147	87,040
Acquisition of intangible assets	(3,475)	(2,206)
Decrease in refundable deposits	93	284
Increase in other non-current assets	(167,357)	(140,766)
Net cash generated from (used in) investing activities	17,430	(141,694)

(Continued)

Hunya Foods Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from financing activities		
Cash dividends paid	(54,171)	(21,668)
(Decrease) Increase in short-term loans	(39,133)	60,000
(Decrease) Increase in short-term notes and bills payable	(69,978)	10,016
(Decrease) Increase current portion of long-term debt	(60,000)	40,000
(Decrease) Increase of long-term debt	(71,111)	30,000
Increase in other non-current liabilities	217	49
Increase capital reserve - other	363	30
Payments of lease liabilities	(19,074)	(19,713)
Net cash generated (used in) from financing activities	(312,887)	98,714
Effect of exchange rate changes on cash and cash equivalents	(4,611)	5,436
Net (decrease) increase in cash and cash equivalents	(148,658)	127,456
Cash and cash equivalents at the beginning of the year	216,877	89,421
Cash and cash equivalents at the end of the year	$ 68,219	$ 216,877

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

Attachments IV

Hunya Foods Co., Ltd.

Earnings Distribution Table

2022

Unit: NT$

Summary	Amount
Beginning balance of retained earnings	128,723,150
Add (less): Other comprehensive income (actuarial gains and losses on defined benefit plans 2022)	5,362,168
Add (less): Disposal of equity instruments measured at fair value through other comprehensive income	213,722,034
Net income (loss) after tax for 2022	424,155,942
Subtotal	771,963,294
Provision items:	
Less: Legal reserve (10%)	(64,324,014)
Reversal of special reserve	-
Surplus available for distribution	707,639,280
Distribution item:	
Shareholders' dividends (NT$1.0 in cash)	(108,342,510)
Undistributed earnings at the end of year	599,296,770

Chairman: Yun-Chi Chang   President: Yun-Chi Chang   Accounting Officer: Tsai-Yun Yu

Attachments V

Hunya Foods Co., Ltd.
Candidates of the Board of Directors

Category	Name	Academic background	Work experience	Current position	Shareholding
Independent Director	Cheng-Chiu Yang	Department of German Language and Literature, Soochow University	(Amazon operator) CardinalRain Inc./ Chairman IGlobalTiC Association/ Supervisor Monte Jade Science and Technology Association (Taiwan)/ Secretary General Taiwan Mergers & Acquisitions and Private Equity Council/ Secretary General Taiwan Venture Capital Association/ Secretary General K.T. Li Foundation for Development of Science and Technology/ Consultant SME Fund Management Committee/ Member SME Division Creative Development Project / Audit Committee	K.T. Li Foundation for Development of Science and Technology/ Top Consultants Monte Jade Science and Technology Association (Taiwan)/ Executive Advisor IGlobalTiC Association/ Director	0