

Stock Code : 4148



全宇生技控股有限公司
All Cosmos Bio-Tech Holding Corporation

ANNUAL REPORT
2023

Company website: <https://www.allcosmos.com>

Taiwan Stock Exchange Website: <http://mops.twse.com.tw>

Published on April 30, 2024

1.0 Name and Title of The Spokesman and Deputy Spokesman, Telephone and Email Address

Spokesman : Janice Cheow Telephone : (02)2712-0685

Title : Chief Financial Officer Email address : janice@allcosmos.com

Deputy Spokesman : Janice Cheow (temporary) Telephone: (02)2712-0685

Title : Chief Financial Officer Email Address : janice@allcosmos.com

2.0 Name, Title, Telephone and Email Address of designated litigation and non-litigation agent within the territory of the Republic of China

Spokesman : Annie Peng Telephone : (02)2712-0685

Title : Director Email address : acbt.tpe@msa.hinet.net

3.0 Address and Telephone of The Head Office, Branch Office and Factory

3.1 Company name : All Cosmos Bio-Tech Holding Corporation

Website : www.allcosmos.com Telephone : +607-252-3788

Address : One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands

3.2 Subsidiary in Malaysia

Company Name : All Cosmos Industries Sdn. Bhd.

Website : www.allcosmos.com Telephone : +607-252-3788

Address : PLO 650, Jalan Keluli 7, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor, Malaysia.

Company Name : Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.

Website : www.sshf.com.my Telephone : +6089-863280

Address : Lot 50 & 51, Phase 2, Jalan Tengah Nipah, 5.5KM, 91100 Lahad Datu, Sabah, Malaysia.

Company Name : Arif Efektif Sdn. Bhd. Telephone : +607-252-3788

Address : No.79, Jalan I-Park SAC 5, Taman Perindustrian I-Park SAC, 81400 Senai, Johor, Malaysia.

Company Name : Kinabalu Life Sciences Sdn. Bhd. Telephone : +6089-767600

Address : Lot B12, Phase 1C, Portcity@POIC, KM5, Jalan Tengah Nipah, 91100 Lahad Datu, Sabah, Malaysia

Company Name : Sawit Ecoshield Sdn. Bhd. Telephone : +6088-235811

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Company Name : Cosmos Nutriscience Sdn. Bhd. Telephone : +607-3558833

Address : 12A, Jalan Dedap 17, Taman Johor Jaya, 81100 Johor Bahru, Johor, Malaysia.

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Jaya, Selangor, Malaysia.

Company Name : Eastern Eckare Malaysia Sdn. Bhd. Telephone : +6011-37376858
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3.3 Subsidiary in Indonesia

Company Name : PT All Cosmos Indonesia Telephone : +6261-8201288
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Company Name : PT All Cosmos Biotek
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Sumatera Utara 21183, Indonesia.

3.4 Taiwan Branch

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4.0 Name, Address, Website And Telephone Number of The Stock Transfer Institution

Company Name : SinoPac Securities Corporation
Address : 3F., No.17, Bo'ai Rd., ZhongZheng Dist., Taipei City 100, Taiwan, R.O.C.
Website : www.sinopacsecurities.com
Telephone : (02)2381-6288

5.0 Latest Annual Financial Report of CPA, Firm Name, Address, Website And Telephone Number

CPA's Name : Chen, Chiang-Hsun 、Liang, Sheng-Tai
Firm Name : Deloitte & Touche
Address : 20F, No. 100, Songren Road, Xinyi District, Taipei City, Taiwan, R.O.C.
Website : www.deloitte.com.tw
Telephone : (02)2725-9988

6.0 Overseas Securities And Stock Exchange Enquiries : None.

7.0 Company Website : <https://allcosmos.com/zh-tw/>

8.0 List of Board of Directors

Title	Name	Nationality	Experiences
Chairman	Peng, Shih Hao	R.O.C	Ph.D., Institute of Wood Science and Technology, University of Putra, Malaysia Master of Business Administration, Honolulu University, Hawaii
Director	Lo, Tzu Wu	R.O.C	Institute of Law, National Chung Hsing University Weiyang Law Firm Lawyer Supervisor, Sea Way Technology Co., Ltd. Person in charge, WeiYang Energy Co., Ltd Supervisor, Hong Sheng Co., Ltd.
Director	Peng, Chia Lin	R.O.C	Shih Hsin College of Journalism and Communication Director of Clinical Research, Quintiles
Director	Peng, Yi Fen	R.O.C	Queensborough Community College-Associate in Science
Director	Lim, Tau Boon	Singapore	Diploma in Mechanical Engineering from Singapore Polytechnic Diploma in Industrial Management from Singapore Polytechnic COO, ACI Director, AESB Vietnam Regional Director/ Regional Manager in Dalian and Shanghai/ International Operation Manager , Intraco Ltd
Independent Director	Yang, Yung Cheng	R.O.C	Master in Finance, Fu Jen Catholic University Certified Accountant of higher examination Accountant Accountant, Moores Rowland CPAs Supervisor, Yungchan Construction Co., Ltd Supervisor, Dan Jie Construction Co., Ltd Supervisor, Mega Bank Independent Director, Tianming Pharmaceutical Co., Ltd
Independent Director	Lee, Wen Chuan	R.O.C	Bachelor of Plant Pathology, National Chung Hsing University Ph.D, Post-Doctoral Research, Department of Life Science, National Tsing Hua University Post-Doctoral Research, UCLA Head of Agricultural Technology Research Institute Person in Charge, Reboot Agricultural Technology
Independent Director	Juan, Chiung Hua	R.O.C	Master in Accounting, National Taiwan University Certified Accountant of higher examination Certified Valuation Analyst

Title	Name	Nationality	Experiences
			Qualified Lecture CPA, Smart CPA firm Independent Director, Gene Touch Corp., Independent Director, Andros Pharmaceuticals Co., Ltd. Independent Director, Oriental Food Chain Restaurant Group
Independent Director	Ho, Chia Fang	R.O.C	Ph.D. in Legal Research, Osaka University Master in Legal Research, Osaka University Master in Law, Department of Law, National Taipei University Associate Professor, Department of Law, SooChow University Supervisor, Taiwan Society of Health Law Supervisor, Taipei Dispute Resolution Study Society Supervisor, Medical Law Research Center, SooChow University

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1.0 Business Report

Dear Shareholders,

After a highly uncertain year in 2022, the overall economic environment starts to recover in 2023 even though the Russia-Ukraine war is still unfinished. Inflation slowed down and raw material prices stopped fluctuating significantly as it used to be for the past two year. The annual average crude palm oil price (CPO) is RM3,908 per ton, a decrease of 25% in comparison with 2022. As the war, global edible oil shortages and insufficient manpower demand are the main cause of high CPO price in 2022, the price reduction in 2023 did not represent a weak sign in market, instead, it indicated that the market has returned to normal mechanisms, farmers could therefore maintain stable profit levels for fertilization.

In addition to fertilizer sales, the company's long-term business operations in microbes, health food, and plant vaccines are gradually bringing in good results, the cumulative revenue for 2023 is NT\$2,826,587 thousand. This is the Company's second highest revenue year since its listed.

1. 2023 Operation Results

1.1 Business plan implementation results

Unit: NT\$ in Thousand ; %				
	2023	2022	Increase(Decrease) Amount	Change Ratio
Operating Revenue	2,826,587	3,702,330	(875,743)	-23.65%
Gross Profit	587,979	1,137,576	(549,597)	-48.31%
Net Profit For The Year	139,361	368,204	(228,843)	-62.15%

The company's revenue in 2023 decreased by 23.65% in comparison with 2022, the main reason is that the strong performance of revenue and profit in 2022 is affected by the Russia-Ukraine war and the overall economic environment, with the overall market performance returned to stability in 2023, fertilizer prices decreased along with the decline in raw material prices. Under such circumstances, many fertilizer manufacturers with large inventories of high-priced stocks lowered their sales prices to reduce losses. The company's fertilizer selling is mainly based on large-scale tenders, and the inventory is prepared according to expected orders. In order to maintain stable

profits, we choose not to follow up on low price orders to avoid reducing profits or causing losses. Taking into account the impact of the general environment and price adjustments, the company's profit is NT\$139,361 thousand.

1.2 Financial Revenue and Profitability

Financial Ratio Item		2023	2022
Financial Structure (%)	Debt to Asset Ratio	23.40	30.36
	Long-Term Capital to Fixed Assets Ratio	362.41	564.74
Solvency (%)	Current Ratio	356.65	493.84
	Quick Ratio	267.19	320.06
Profitability (%)	Return on Assets	3.66	10.80
	Return on Equity	6.03	16.90
	Earning Per Share (NT\$)	2.18	5.75

1.3 Development Strategy

The company will continue to be committed to the development of green agriculture and assist the upgrading of Malaysian agriculture. It will also expand the high growth potential Indonesian market with resource technology. At the same time, it also further develops and sells health care products and uses technology to convert oil palm waste into functional sugar. This not only turns agricultural waste from waste into gold, but also takes into account health and environmental protection to achieve a circular economy.

1.4 Impacts of competition, regulation and overall economic environment

The company keeps up with the pulse of the industry and makes long-term plans for product development, customer relations and marketing management to enhance competitiveness and reduce the impact of the external competitive environment, and always pay attention to important domestic and foreign policies and legal changes. There were no changes in policies or laws that significantly affected the company's financial operations in recent years. Overall, the company is committed to the business fields it has been cultivating for a long time, continues to pursue quality improvement and expansion of applications, and carefully diversifies its business layout to reduce the impact of changes in the competitive environment, regulatory environment and the overall operating environment.

2. 2024 Operation Plan Summary:

The average CPO price will maintain at RM3,900-4,200 per metric ton, according to the estimation of Malaysian Palm Oil Board (MPOB). Such price estimates allow plantations to maintain good profit margins, and fertilizer demand will also remain stable. In addition to

existing customer relationships that have been cultivated for many years, the company has also felt the impact of ESG on the Malaysian oil palm industry. Since Malaysia's palm oil is mainly for export, in order to comply with the ESG standards of various countries around the world, customers from the top ten plantations in Malaysia have taken the initiative to learn about the company's products and discover how the company could assist them in ESG. In addition, the Indonesian factory will start production in the second half of 2024, and is initially expected to increase production capacity by 50,000 tons per year. In terms of other products, health food products will also be promoted from the original Chinese market to the Muslim market through more diversified products and different sales channels, and will also expand beyond Malaysia and enter Vietnam market.

The company has 20 years deep cultivation in the Malaysian biochemical fertilizer market, has more than 600 kinds of microbial strains and is the pioneer in the global bio-compound fertilizer industry. As global awareness on sustainable agriculture, improvement of soil degradation and ecological problems arise, the company's advanced technology can help to improve and maintain the environment moving towards the goal of green agriculture. Through continuous efforts to improve, research and development, we lay a solid foundation for future growth.

We hope that we can show our business results to our shareholders with our peers' efforts and our dedication. We commit to the spirit of continuous improvement and would like to thank our partners, shareholders and hardworking staffs for your long-standing support. Thank you for allowing me to express my sincere gratitude here!

All Cosmos Bio-Tech Holding Corporation
Chairman Peng Shih Hao

2.0 Company Profile

2.1 Date of Incorporation : March 26, 2010

2.2 Company and Group History

All Cosmos Bio-Tech Holding Corporation (hereinafter referred to as the Company) was established in the Cayman Islands on March 26, 2010, and is one of the public listing company in Taiwan. The All Cosmos Group owns several subsidiary companies in Malaysia and Indonesia, the main product is biochemical compound fertilizer combined with organic matter, beneficial microorganisms and chemical raw materials. The sales market cover Malaysia, China, Indonesia, Vietnam and Taiwan.

The Group's products draw on the advantages of various unit fertilizers and strive to solve and replace the severe environmental pollution caused by traditional chemical fertilizers. Due to the high technical threshold, the Group is the first company in Malaysia to have beneficial microorganisms to be added into fertilizer. In addition, the Group cooperated with the Malaysian Palm Oil Board (MPOB) to develop the fertilizer MPOB F4, which is suitable for the local main agriculture crop oil palm tree, and was approved by the Malaysian Oil Palm Board and authorized to use its trademark. In addition to biochemical compound fertilizer, the Group's products were jointly developed with the Malaysian Oil Palm Bureau in 2012 to combat the treatment of the main disease of oil palm tree *Ganoderma lucidum*. The Group's products have been extended from crop production to pest control.

The important notes of the company are as follows:

Year	Items
1999	Incorporation of All Cosmos Industries Sdn Bhd in Johor, Malaysia, and established a biochemical compound fertilizer plant
2003	Obtained ISO2001 and ISO2000 certification
2003	Incorporation of Hybrid Generation Sdn. Bhd. in Sabah to develop the market in East Malaysia
2008	Awarded 10 years tax exemption with BioNexus Status certification
	Developed MPOB F4 3-in-1 biochemical compound fertilizer in cooperation with Malaysia Oil Palm Bureau (MPOB)
	Received Overseas Outstanding Enterprise Award from Golden Bull Award
2009	Collaborated with the Malaysian University of Technology (UTM) to develop a nitrogen-fixing bacteria production platform
	Awarded the Product Innovation Award from the Malaysia International Commodities Exhibition (MICCOS), the Asia-Pacific International Entrepreneur Elite Award 2008-2009, and the Nanyang Business Daily Golden Bull Award
2010	Incorporation of All Cosmos Bio-Tech Holdings Corporation in Cayman

Year	Items
	Islands
	Awarded the Asia Pacific Bio Fertilizer Award from Frost & Sullivan
	Incorporation of Sabah Softwoods Hybrid Fertiliser Sdn Bhd in Sabah, Malaysia, for production and sales in Sabah and Indonesia markets
2011	Co-developing microbial fertilizers containing phage with the Malaysian Institute for Agricultural Research and Development (MARDI)
	The company's products are certified as green fertilizer products by the Malaysian Ministry of Science and Technology Innovation (MOSTI)
	Appointed by the Ministry of Science and Technology of Malaysia as an agricultural green consultant, which is also the only private enterprise consultant
	Awarded the Best Product Innovation Award in Malaysia; Double Gold Medal in International Consumption; Model Award of Taiwan Overseas Chinese Enterprise; Best International Overseas Enterprise Award in Taiwan; and Individual Outstanding Product Award in China.
2012	Joint development of 4-in-1 biochemical compound fertilizer with the Malaysian Palm Oil Board (MPOB)
	Awarded the Outstanding Brand Award from the Asian Entrepreneurship Alliance (AEA)
2013	Awarded the top three companies of BioNexus and the BioNexus Excellence Award from Biotech Corp.
	Awarded the Sin Chew Business Excellence Award 2013 for outstanding product and service quality
	Awarded the Gold Medal Best Agriculture Award and the Malaysian Innovation Product Award (ITEX'13)
2014	GanoEF products won the third place in the Patent Group Award
	Co-developed MPOB F4 Premium Biochemical Compound Fertilizer with Malaysia Palm Oil Board (MPOB)
	Won the 46th Outstanding Business Award from FMM
	All Cosmos Industries Sdn Bhd established the Second Plant in Johor, West Malaysia
2015	Awarded the 47th Outstanding Business Award from FMM
2016	Awarded the 48th Outstanding Business Award from FMM and the
	Outstanding Award for Quality of Fertilizer Products in Malaysia
	Granted the Patent for "Bio-Stabilized Fertilizer Technology" in Taiwan

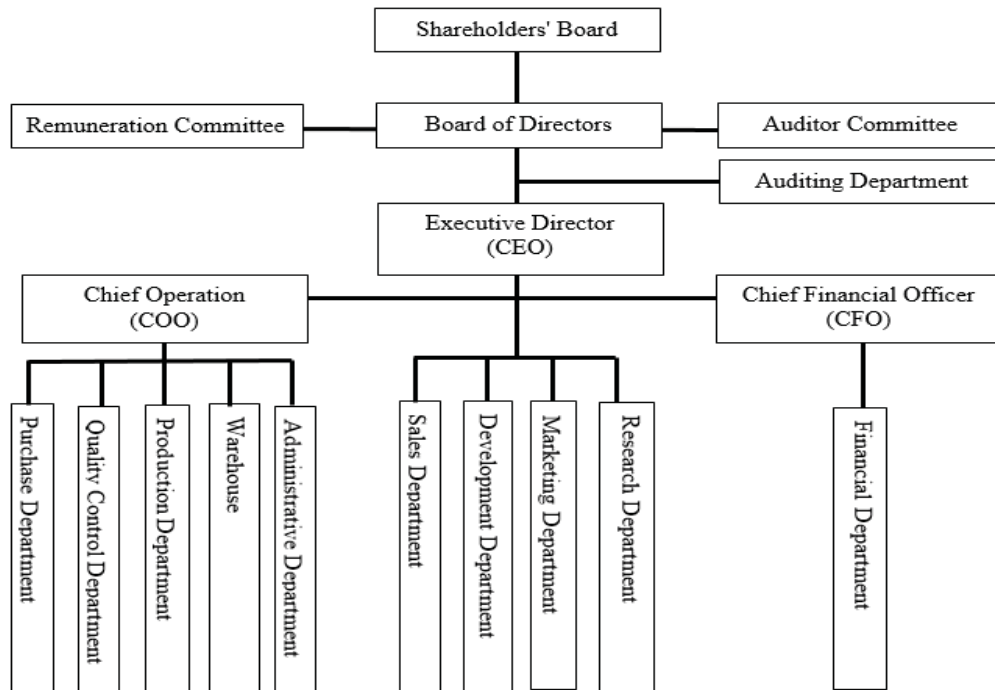
Year	Items
	Granted the Patent for "Endophytic Fungus Production Technology" in Thailand
2017	All Cosmos Bio-Tech-KY officially listed in Taiwan Stock Exchange on 8 th of June
	Awarded the Bioeconomic Excellence Award from Biotech Corp
	Subsidiary company of All Cosmos Industries Sdn Bhd and Sabah Softwoods Hybrid Fertiliser Sdn Bhd have established a joint venture with Sawit Kinabalu Group, a subsidiary of the East Malaysian government, to establish a professional treatment plant to develop biological vaccines
2018	Established an Indonesian joint venture with YPJ Plantations Sdn. Bhd., a subsidiary of the Johor State Government of Malaysia, to produce and engage sales for Indonesian market.
	Signed the “Liquor Cellulose Depolymerization Patent and Technology Licensing and Service Plan Contract” with the Industrial Technology Research Institute
	Subsidiary Company Arif Efektif signed a technical sales contract with MARDI Malaysian Agricultural Research and Development Agency to obtain the use of induced resistant system for papaya seedlings to control papaya disease
2019	Signed a joint venture contract with Grape King Biotech Co., Ltd. to expand the health food biotechnology business in ASEAN countries
2020	Published “Microfert” and “Microfert Pro”, products combining PGPR microbial flora with high-quality organic matters. Microfert Pro can resist plant diseases
2021	Subsidiary AESB set up a new R&D center in Johor, which is a new experimental center outside the experimental center of Universiti Teknologi Malaysia
2022	Set up joint venture company “Eastern Eckare Malaysia S/B” with ET group to develop health food business.
2023	Subsidiary GK Bio awarded 2022-2023 the Best Wellness & Health Supplement Brand

Please refer to page 129 for corporate structure.

3.0 Corporate Governance Report

3.1 Organization System

3.1.1 Organizational Structure



3.1.2 Business Operations of Major Departments

Department	Operation
Board of Directors	Establish policy directives and target policies for the company's business operations
Audit Committee	Supervise the company's business and financial status, the company's financial statements, and the effective implementation of internal control
Remuneration Committee	Regularly review the policies, systems, standards and structures of directors and managers' performance, appraisal and salary remuneration
Internal Audit Department	Research, planning and implementation of internal control and auditing systems, reporting of audit reports and tracking regularly for improvements
Purchasing Department	Responsible for general purchasing, raw material procurement, and supply chain management
Quality Control Department	Establish quality standards, execute quality control, ensure product quality, and tracks corrective actions
Production Department	Implement production planning, control production schedule and material status, maintain work safety and environmental requirements at production site, ensure product quality and production in progress

Warehouse Department	Inventory management and goods receiving and delivery
Administrative Department	Human resource management of the company
Sales Department	Responsible for product selling, relationship management with customers and strategic partners, and the management of domestic and international marketing channels and channel providers
Development Department	Maintain customer relationships, expand new markets, and develop the company's brand
Marketing Department	Market promotion and increasing product exposure through various means
Research Department	Develop research plan and new products
Financial Department	Responsible for company finance, accounting, and cost related matters, preparation and analysis of financial statements and reports, tax and other matters

3.2 Information of Directors, Supervisors, General Manager, Deputy General Manager, and Management Team

3.2.1 Basic Information of Directors

3.2.1.1 Information of Directors

April 30, 2024 Unit of Share: in Thousand

Title	Nationality	Name	Gender Age	Election Date	Terms	Date of First Election	Shareholding When Elected		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Experience and Education	Other Positions in The Company and/or Other Companies	Executives, Directors or Supervisors Who Are Spouses or within Two Degrees of Kinship			Remark
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Chairman	R.O.C	Peng Shih Hao	Male 41~50	2022.06.22	3yrs	2010.3.26	245	0.38	245	0.38	-	-	22,500	35.14	- Ph.D., Institute of Wood Science and Technology, University of Putra, Malaysia - Master of Business Administration, Honolulu University, Hawaii	- ACI – Director and CEO - SSHF-Director - KLSSB-Director - SESB-Director - GK Bio-Director - PT Biotech-Director - All Cosmos Investment Ltd.-Chairman - EEMSB-Director	Director	Peng Chia Lin Peng Yi Fen	Sister Sister	Note 1 Note 2
Director	R.O.C	Peng Chia Lin	Female 51~60	2022.06.22	3yrs	2014.06.30	42	0.07	42	0.07	40	0.06	4,500	7.03	- Shih Hsin College of Journalism and Communication - Director of Clinical Research, Quintiles	- Maxlength Corporation - Director - GK Bio-Director - ACBT Taiwan Branch – Vice President	Chairman Director	Peng Shih Hao Peng Yi Fen	Brother Sister	Note 3
Director	R.O.C	Peng Yi Fen	Female 41~50	2022.06.22	3yrs	2022.06.22	-	-	11	0.02	-	-	2,500	3.90	- Queensborough Community College-Associate in Science	- ACI – Senior Manager - ACI – Executive Assistant to Chairman - Biowood – Director - Asia Win Development - Director	Chairman Director	Peng Shih Hao Peng Chia Lin	Brother Sister	Note 4

Title	Nationality	Name	Gender Age	Election Date	Terms	Date of First Election	Shareholding When Elected		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Experience and Education	Other Positions in The Company and/or Other Companies	Executives, Directors or Supervisors Who Are Spouses or within Two Degrees of Kinship			Remark
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Director	Singapore	Lim Tiau Boon	Male 61-70	2022.06.22	3yrs	2022.06.22	-	-	-	-	-	-	20	0.03	- Diploma in Mechanical Engineering from Singapore Polytechnic - Diploma in Industrial Management from Singapore Polytechnic - AESB Director - ACI - Chief Operation Officer - Intraco Ltd - Vietnam Regional Director, Regional Manager in Dalian and Shanghai, International Operation Manager	- SSHF-Director - KLS-Director	-	-	-	Note 5
Director	R.O.C	Lo Tzu Wu	Male 51-60	2022.06.22	3yrs	2012.9.29	-	-	-	-	-	-	-	-	- National Chung Hsing University Institute of Law	- WeiYang Law Firm Lawyer - Shiwei Technology-Supervisor - Sea Way Energy Co., Ltd - Hongsheng Investment Co., Ltd-Supervisor	-	-	-	-
Independent Director	R.O.C	Yang Yung Cheng	Male 51-60	2022.06.22	3yrs	2014.6.30	-	-	-	-	-	-	-	-	- Master in Finance, Fu Jen Catholic University - Certified Accountant of higher examination - Accountant, Moores Rowland CPAs	- Yungchan Construction Co., Ltd-Supervisor - Dan Jie Construction Co., Ltd – Supervisor - Mega International Commercial Bank – Supervisor - Timing Pharmaceutical Co., Ltd, Independent Director	-	-	-	-

Title	Nationality	Name	Gender Age	Election Date	Terms	Date of First Election	Shareholding When Elected		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Experience and Education	Other Positions in The Company and/or Other Companies	Executives, Directors or Supervisors Who Are Spouses or within Two Degrees of Kinship			Remark
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Independent Director	R.O.C	Lee Wen Chuan	Male 61~70	2022.06.22	3yrs	2019.6.19	-	-	-	-	-	-	-	-	- Bachelor of Plant Pathology, National Chung Hsing University - Ph.D, Post-Doctoral Research, Department of Life Science, National Tsing Hua University - Post Doctoral Research, UCLA - Head of Agricultural Technology Research Institute	- Reboot Agricultural Technology, Ltd – Principal - Taiwan Miadi Anlia Cooperative – Consultant - Taiwan Formosa Organic Association – Deputy Chairman - Agricultural Bank of Taiwan – Consultant - Hsin Chu County Local Industry Development Association – Consultant - Tze Chiang Foundation - Consultant	-	-	-	-
Independent Director	R.O.C	Juan Chung Hua	Female 51~60	2022.06.22	3yrs	2022.06.22	-	-	-	-	-	-	-	-	- Certified Accountant of higher examination - Certified Valuation Analyst - Qualified Lecture	- CPA, Smart CPA Firm - Convener, Professional Education Committee, CPA Association - Lecture, Department Accounting, Soochow University - Lecture, Department of Accounting, National Taipei University of Business - Independent Director, Gene Tough Corp. - Independent Director, Andros Pharmaceuticals Co., Ltd. - Independent Director, TTFB Restaurant Group	-	-	-	-

Title	Nationality	Name	Gender Age	Election Date	Terms	Date of First Election	Shareholding When Elected		Current Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Experience and Education	Other Positions in The Company and/or Other Companies	Executives, Directors or Supervisors Who Are Spouses or within Two Degrees of Kinship			Remark
							No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Independent Director	R.O.C	Hu Chia Fang	Female 41-50	2022.06.22	3yrs	2022.06.22	-	-	-	-	-	-	-	-	- Ph.D. in Legal Research, Osaka University - Master in Legal Research, Osaka University - Master in Law, Department of Law, National Taipei University	- Associate Professor, Department of Law, Soochow University - Supervisor, Taiwan Society of Health Law - Supervisor, Taipei Dispute Resolution Study Society - Supervisor, Medical Law Research Center, Soochow University - Consultant, Taiwan Bar Association				-

Note 1. Explain the reason, rational, necessity, and countermeasures if the chairman and the general manager or the person with equivalent position (the top manager) is the same person, each other's spouse or first level relatives:
1.1 Chairman Peng leads the Company, integrates departments, and layout strategies with professional prospective, which is conducive for long term customer relationships. The Company still needs his experienced leadership in the long-term development.

1.2 The chairman of the company is also the CEO, During the comprehensive re-election of directors on June 22, 2022, and additional independent director was elected to strengthen corporate governance.

2. Peng Shih Hao holds 22,500,000 shares of the company through All Cosmos Investment Ltds, with 35.14% shareholding ratio.

3. Peng Chia Lin holds 4,500,000 shares of the company through Maxtrench Corporation, with 7.03% shareholding ratio.

4. Peng Yi Fen holds 2,500,000 shares of the company through Asia Win Development Ltd, with 3.90% shareholding ratio.

5. Since the director is not a citizen of the Republic of China, the director's shareholding is deposited in the employee's collective investment account.

3.2.1.2 Major shareholders of corporate shareholders: None

3.2.1.3 The major shareholders of the corporate shareholders are corporate shareholder: None

3.2.1.4 Status of the professional knowledge and independency of the directors and independent directors

Name	Professional knowledge and experience	Independency	No. of other companies served as independent director
Chairman Peng Shih Hao	Ph.D. of Institute of Wood Science and Technology, University of Putra, Malaysia. More than five years working experience required by the company's business, currently serving as the chairman and general manager of the company, leading integration of departments from a professional perspective, which is conducive to long-term development, helps to maintain good relationships with customers.	(8)(9)(11)(12)	None
Director Peng Chia Lin	More than five years working experience required by the company's business, served as director of clinical research of Quintiles. Currently serving as vice president of ACBT Taiwan Branch	(8)(9)(11)(12)	None
Director Peng Yi Fen	More than five years working experience required by the company's business, in addition to serving as a director of the company, also serves as a director of related companies	(8)(9)(11)(12)	None
Director Lim Tau Boon	More than five years working experience required by the company's business, ability of operation management and strategic planning, in addition to serving as a director of the company, he also serves as a director of related companies	(3)(4)(8)(9) (10)(11)(12)	None
Director Lo Tzu Wu	More than five years working experience required by the company's business, currently serves as lawyer in Weiyang Law Firm , supervisor in Shiwei Technology and Hongsheng Investment Co., person in charge in Sea Way Energy Co., Ltd,	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	None
Independent Director Yang Yung Cheng	More than five years working experience required by the company's business, convenor of the Company's Audit Committee and member of the Remuneration Committee. Currently serves as accountant in Moores Rowland CPAs, supervisor in Yungchan Construction Co., Ltd , Dan Jie Construction Co., Ltd, and Mega International Commercial Bank, and independent director for Timing Pharmaceutical Co., Ltd,	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	1
Independent Director Lee Wen Chuan	More than five years working experience required by the company's business, member of the Company's Audit Committee and the Remuneration Committee. Used to serve as Head of Agricultural Technology Research Institute. Currently serves as principal of Reboot Agricultural Technology., Ltd, deputy chairman of Taiwan Formosa Organic Association, consultant of Taiwan Miadi Amla Cooperative, Agricultural Bank of Taiwan, Hsin Chu County Local Industry Development Association, and Tze Chiang Foundation.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	None

Independent Director Juan Chiung Hua	More than five years working experience required by the company's business, member of the Company's Audit Committee. Currently serves as CPA at Smart CPA firm, Convenor of Professional Education Committee of CPAs Association, Lecture of Accounting Department of Soochow University and National Taipei University of Business, Independent Director of Gene Touch Corp., Andros Pharmaceuticals Co., Ltd. ,and TTFB restaurant group.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	3
Independent Director Ho Chia Fang	More than five years working experience required by the company's business, member of the Company's Audit Committee and Remuneration Committee. Currently serves as Associate Professor of Department of Law at SooChow University, supervisor of Taiwan Society of Health Law, a supervisor of Taipei Dispute Resolution Study Society, supervisor of Medical Law Research Center, SooChow University and consultant of Taiwan Bar Association.	(1)(2)(3)(4) (5)(6)(7)(8)(9) (10)(11)(12)	None

Note 1: Each director meets the following conditions during the two years before the election and during service

- (1) Not hired by the company or its affiliates
- (2) Not a director or supervisor of the company or its affiliates.
- (3) Shareholder itself, it's spouse, minor children not holding more than 1% of the total issued shares of the company or being the top 10 nature shareholders , and not held in another name.
- (4) Not managers listed in (1), or spouses, relatives within the second degree of kinship or lineal relatives within the third degree of kinship listed in (2) and (3)
- (5) Directors, supervisors or employees of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, being top 5 shareholders, or designate a representative to serve as a director or supervisor of the company in accordance with Article 27, Item 1 or 2 of the Company Act.
- (6) Not directors, supervisors, or hired by other companies that are controlled by the same person having more than half of the voting shares.
- (7) Directors, supervisors or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company
- (8) Not directors, supervisors, managers, or shareholders holding more than 5% of total share of companies having specific finance or business dealings.
- (9) Non-professionals, sole proprietorships, partnerships, business owners of companies or institutions who provide auditing for companies or affiliated companies or have received accumulative remuneration of more than NT\$500,000 in business, legal, financial, accounting and other related services in the last two years, Partners, directors (council members), supervisors (supervisors), managers and their spouses
- (10) Not a spouse of other directors or relatives within the second degree of kinship.
- (11) None of the circumstances specified in Article 30 of the Company Act.
- (12) Not elected as government, institution or its representative as stated in Article 27 in Company Law.

3.2.1.5 Diversity and independence of the Board.

1. Diversity

The composition of the board of directors of the company is based on the "Corporate Governance Code" and "Director Election Method", considering the diversity of board members from various aspects. The company has 9 directors, including 4 independent directors. The members have rich experience and expertise in the fields of finance, business, technology and management. The board has 5 male directors and 4 female directors. 6 directors are at the age range of 50 to 70, and 3 directors are under 50 years old. Their nationality include R.O.C and Singapore.

2. Independency of the Board

There are currently 9 member of the board of directors of the company, including 4 independent directors, for the independence of the board of directors, please refer to 3.2.1 (1) "Directors' Names, Education, Shareholding and Nature", and 3.2.1 (4) "Directors' Professional Qualifications and Independent Directors Independence Information Disclosure". Above-mentioned director information explained that the company has established an audit committee to replace the supervisor, the proportion of directors who do not have spouses or relatives within the second degree is 66.67%, more than half of the seats, hence, none of the directors and independent directors have situation under Article 26-3 of the Securities and Exchange Act Items 3 & 4.

Management objectives and achievement of the board diversity policy are as follows:

Management objectives	Achievement
More than one-third of female board members	√
Directors who also serve as company managers should not exceed one-third of the number of directors	√

Implementation of the Board Diversity Policy in 2023:

Title	Name	Nationality	Sex	Age			Over 3 years independent director	Expertise			Knowledge and Skill				
				41~50	51~60	61~70		Industry	Legal	Accounting	Operation Judgement	Operation Management	Crisis Management	International Outlook	Leadership
Chairman	Peng Shih Hao	R.O.C	M	✓				✓			✓	✓	✓	✓	✓
Director	Lo Tzu Wu	R.O.C	M		✓			✓	✓		✓	✓	✓	✓	✓
	Peng Chia Lin	R.O.C	F		✓			✓			✓	✓	✓	✓	✓
	Peng Yi Fen	R.O.C	F	✓				✓			✓	✓	✓	✓	✓
	Lim Tau Boon	Singapore	M			✓		✓			✓	✓	✓	✓	✓
Independent Director	Yang Yung Cheng	R.O.C	M		✓		✓	✓		✓	✓	✓	✓	✓	✓
	Lee Wen Chuan	R.O.C	M			✓	✓	✓			✓	✓	✓	✓	✓
	Juan Chiung Hua	R.O.C	F		✓			✓		✓	✓	✓	✓	✓	✓
	Ho Chia Fang	R.O.C	F	✓				✓	✓		✓	✓	✓	✓	✓

3.2.2 General Manager, Deputy General Manager, Associates, Department And Branch Managers

3.2.2.1 Information on the General Manager, Deputy General Manager and Management Team

Title	Nationality	Name	Gender	Election Date	Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Experience and Education	Other Positions in other Companies	Managers as Spouse or within 2-Degree Kinship			Remark
					No. of Shares	%	No. of Shares	%	No. of Shares	%			Title	Name	Relationship	
Chairman	R.O.C	Peng Shih Hao	Male	2012.9.28	245	0.38%	—	—	22,500	35.14%	Ph.D., Institute of Wood Science and Technology, University of Putra, Malaysia Master of Business Administration, Honolulu University, Hawaii	ACI – Director and CEO SSHIF-Director KLSSB-Director SESAB-Director GK Bio-Director PT Biotech-Director All Cosmos Investment Ltd.-Chairman EEMSB-Director	ACI Chairman	Peng Shih Chang	Father	Note 1 Note 2
ACBT CFO	Malaysia	Janice Choow	Female	2016.4.22	—	—	—	—	—	—	Griffith University, Brisbane, Major Accounting Dominant Enterprise Berhad Account Executive Chong & Associate Audit Senior Associate	KLSSB-Director GK Bio-Director PT Biotech-Director Oasis Panel Sdn. Bhd.-Director	—	—	—	
ACBT Group General Manager	Singapore	Ling Siu Hung	Male	2017.1.1	—	—	—	—	—	—	University of Canterbury, New Zealand, Major in Accounting Bloom Foss Pre Ltd Operation Management Master in Manufacturing and Production Management Training & Development Acquired During Service	ACI – Chief Operating Officer	—	—	—	
ACI General Manager (Manufacturing)	Malaysia	Lai Chan Wai	Male	2015.1.1	—	—	—	—	—	—			—	—	—	
AESB CEO	Malaysia	Wan Azha Bin Wan Mustapha	Male	2013.9.4	—	—	—	—	—	—	Ph.D. candidate, Institute of Wood Science and Technology, University of Putra, Malaysia	ACI - Manager AESB - Director	—	—	—	
ACI R&D Manager	Malaysia	Charles Then	Male	2019.9.4	—	—	—	—	—	—	Master in Engineering (Bioprocess), University Technology Malaysia		—	—	—	
PT ACI CEO	Malaysia	Roslan Bin Arslad	Male	2009.2.16	—	—	—	—	—	—	University Pertanian Malaysia, Bachelor in Agriculture MPOB Research Station Sessang, Saratok, Sarawak. Research Officer MPOB HQ Bangi. Agronomist & Extension Unit	ACI – Senior Manager PT ACI - Director	—	—	—	

Note 1: Explain the reason, rational, necessity, and countermeasures if the chairman and the general manager or the person with equivalent position (the top manager) is the same person, each other's spouse or first level relatives:

- (1) Chairman Peng leads the Company, integrates departments, and layout strategies with professional prospective, which is conducive for long term customer relationships. The Company still needs his experienced leadership in the long-term development.
 - (2) The Chairman and CEO is the same person in the Company, During the general election of directors on June 22, 2022, an additional independent director was elected to strengthen corporate governance.
- Note 2: Peng Shih Hao holds 22,500 thousand shares of the company through All Cosmos Investment Ltd., 35.14% of total share.
- Note 3: ACBT Operation General Manager Ling Siu Hung retired on 2024/01/31.

3.3 Remuneration Of Directors, Supervisors, General Managers And Deputy General Managers for the Recent Years

3.3.1 Remuneration for directors and independent directors

Unit: NT\$ in Thousand

Title	Name	Directors' Remuneration						Remuneration to Concurrent Employees						Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Profit After Tax (%)		Get Any Remuneration from the Invested Businesses Other than Subsidiaries					
		Salary (A)		Retirement Pension Fund (B)		Directors' Remuneration (C)		Business Execution Expense (D)		Ratio of Total Remuneration (A+B+C+D) to Net Profit After Tax (%)		Salary, Bonus & Allowance etc. (E)					Retirement Pension Fund (F)		Remuneration to employees (G)		
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report		The Company	All companies in the financial report			
Chairman	Peng Shih Hao	0	164	0	0	879	879	15	15	894	1,058 0.64%	0	5,091	0	0	751	0	1,645 1.18%	6,900 4.95%	0	0
Director	Peng Chia Lin	0	0	0	0	586	586	15	15	601	601 0.43%	1,467	1,467	0	0	205	0	2,273 1.63%	2,273 1.63%	0	0
Director	Peng Yi Fen	0	0	0	0	352	352	15	15	367	367 0.26%	0	979	0	0	205	0	572 0.41%	1,551 1.11%	0	0
Director	Lim Tau Boon	0	164	0	0	293	293	15	15	308	472 0.22%	0	0	0	0	137	0	445 0.32%	609 0.44%	0	0
Director	Lo Tzu Wu	315	315	0	0	352	352	15	15	682	682 0.49%	0	0	0	0	0	0	682 0.49%	682 0.49%	0	0
Independent Director	Yang Yung Cheng	480	480	0	0	117	117	15	15	612	612 0.44%	0	0	0	0	0	0	612 0.44%	612 0.44%	0	0
Independent Director	Lee Wen Chuan	360	360	0	0	117	117	15	15	492	492 0.35%	0	0	0	0	0	0	492 0.35%	492 0.35%	0	0
Independent Director	Juan Chiang Hua (Note 2)	360	360	0	0	117	117	15	15	492	492 0.35%	0	0	0	0	0	0	492 0.35%	492 0.35%	0	0
Independent Director	Ho Chia Fang (Note 2)	360	360	0	0	117	117	15	15	492	492 0.35%	0	0	0	0	0	0	492 0.35%	492 0.35%	0	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 all responsibilities, risks, investment time and other factors: The remuneration of the independent directors of the company will be based on the salary level of the market peers and the company's scale, profit structure and business characteristics, and different remunerations will be made according to the contribution of the functional committee members (such as serving as the chairman or member of the committee). The company will also review the remuneration system according to the actual operating conditions in order to pursue the balance between the company's sustainable operation and risk control.																				
2.	In addition to the disclosure in the above table, the remuneration received by the directors of the company in the most recent year for providing services (such as serving as a consultant for the parent company/all companies in the financial report/investment enterprises that are not employees, etc.): None																				

3.3.2 Remuneration of the supervisor: the company has set up Audit Committee to replace supervisor, and therefore is not applicable.

3.3.3 Remuneration of The General Manager and Deputy General Manager :

Unit: NT\$ in Thousand

Title	Name	Salary (A)		Retirement Pension Fund (B)		Bonus & Allowance etc. (C)		Remuneration to employee (D)				The ratio of the total of A+B+C+D to the Net Profit After Tax (%)		Remuneration Received From The Subsidiary Company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	Cash Amount	Shares Amount	The Company	All Companies in the Financial Report	
ACBT CEO	Peng Shih Hao	0	3,855	0	0	0	1,236	751	0	751	0	751	5,842 4.19%	0
ACBT General Manager	Ling Siu Hung (Note)	1,575	3,691	0	0	521	2,183	0	0	0	0	2,096 1.50%	5,874 4.21%	0
ACBT CFO	Janice Cheow	574	2,082	0	0	198	862	478	0	478	0	1,250 0.90%	3,422 2.46%	0

Note: ACBT Operation General Manager Ling Siu Hung retired on 2024/1/31.

3.3.4 Remuneration of Top 5 Managers:

Unit: NT\$ in Thousand

Title	Name	Salary (A)		Retirement Pension Fund (B)		Bonus & Allowance etc. (C)		Remuneration to employee (D)				The ratio of the total of A+B+C+D to the Net Profit After Tax (%)		Remuneration From The Subsidiary Company
		The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	The Company	All Companies in the Financial Report	Cash Amount	Shares Amount	The Company	All Companies in the Financial Report	
ACBT CEO	Peng Shih Hao	0	3,855	0	0	0	1,236	751	0	751	0	751	5,842 4.19%	0
ACBT General Manager	Ling Siu Hung (Note)	1,575	3,691	0	0	521	2,183	0	0	0	0	2,096 1.50%	5,874 4.21%	0
ACBT CFO	Janice Cheow	574	2,082	0	0	198	862	478	0	478	0	1,250 0.90%	3,422 2.46%	0
ACI General Manager (Manufacturing)	Lai Chan Wai	0	1,675	0	0	0	800	0	0	0	0	0 0.00%	2,475 1.76%	0
ACI Sales & Technical Manager	Roslan Bin Arshad	0	1,937	0	0	0	1,088	0	0	0	0	0 0.00%	3,025 2.17%	0

Note: ACBT Operation General Manager Ling Siu Hung retired on 2024/1/31.

3.3.5 Name of Managers and their Distribution of Employee Remuneration

Unit: NT\$ in Thousand; %						
	Title	Name	Shares amount	Cash amount	Total	The Proportion Of Total Amount To Net Profit After Tax
Manager	CEO	Peng Shih Hao	0	751	751	0.54%
	CFO	Janice Cheow	0	478	478	0.34%
	Group General Manager	Ling Siu Hung (Note)	0	0	0	0
	ACI General Manager (Manufacturing)	Lai Chan Wai	0	0	0	0
	ACI R&D Manager	Charles Then	0	68	68	0.05%
	ACI Sales & Technical Manager	Roslan Bin Arshad	0	0	0	0

Note: ACBT Operation General Manager Ling Siu Hung retired on 2024/1/31.

3.3.6 Comparison for the total amount of remuneration of the Directors, Supervisors, General Managers and Deputy General Managers of the company in the past two years accounted for the net profit after tax ratio of individual or individual financial reports and explained the payment of remuneration, relevance of policies, standards and portfolios, procedures for determining emoluments and business performance and future risks.

3.3.6.1 Analysis of the company's and the consolidated report for the total amount of remuneration paid to the Directors, Supervisors, General Managers and Deputy General Managers of the company in the last two years to the net profit after tax of individual or individual financial reports

Year		2022		2023	
Item	Total Remuneration	Ratio on Net Profit After Tax of Consolidated Financial Report	Total Remuneration	Ratio on Net Profit After Tax of Consolidated Financial Report	
Director	19,946	5.42%	14,103	10.12%	
General Manager and Deputy General Manager	12,979	3.52%	15138	10.86%	

3.3.6.2 Policies, standards and combinations for payment of honoraria, procedures for determining remuneration, and correlation with business performance and future risks

The Company is following the guideline of “Employee Salary, Benefits and Other Remuneration Survey Report” which is published by the Federation of Malaysian Manufacturers (FMM) and the Malaysian Employers' Federation (MEF) and is used as a reference for the remuneration of the directors and managers of the company, based on the position and the contribution of the company and the profitability of the company determine the amount of salary compensation. In addition, the company also has a Remuneration Committee, which is a member of 3 independent directors, which regularly reviews and evaluates the policies, systems, standards and structures of directors and managers' performance and salary remuneration.

3.4 Corporate Governance Operational Situation

3.4.1 Operation of The Board of Directors

In the most recent year (2023) the Board of Directors convened 7 meetings, the attendance was listed as follows:

Title	Name	Actual Attendance	Entrusted To Attend Frequency	Actual Attendance Rate (%)	Remarks
Chairman	Peng Shih Hao	7	0	100.00	-
Director	Lo Tzu Wu	7	0	100.00	-
Director	Peng Chia Lin	7	0	100.00	-
Director	Peng Yi Fen	7	0	100.00	-
Director	Lim Tau Boon	7	0	100.00	-
Independent Director	Yang Yung Cheng	7	0	100.00	-
Independent Director	Lee Wen Chuan	7	0	100.00	-
Independent Director	Juan Chiung Hua	7	0	100.00	-
Independent Director	Ho Chia Fang	7	0	100.00	-

Other matters to be recorded:

1. If the operation of the board of directors is in any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the company's handling of independent directors' opinions shall be stated:
 - (1) The matters listed in Article 14(3) of the Securities Exchange Act : Not applicable since the Company has set up Audit committee.
 - (2) Other board resolutions that have been opposed or reserved by independent directors and have records or written statements in addition to previous matters: None
2. The implementation of directors' avoidance of the proposal of interest:
 - (1) 2023 salary adjustment was passed on May 11, 2023 board meeting. In addition to the directors that are the interested parties, all directors approved the proposal.

3. Evaluation of the board of directors:

Cycle (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Execute annually	2023/01/01 2023/12/31	1. Performance Evaluation of the board 2. Self-performance evaluation of the board members 3. Performance evaluative of functional committees	Self-evaluation of the board. Self evaluation of board members. Peer evaluation.	1. Board Evaluation 1.1 Level of participation to company operation 1.2 Improve quality of the board resolutions 1.3 Organization and structure of the board 1.4 Election and continuing education of board members 1.5 Internal control 2. Evaluation of individual board member 2.1 Mastery of company goals and tasks 2.2 Understanding of duties as board member 2.3 Level of participation to company operation 2.4 Internal relationship maintenance and communication 2.5 Professionalism and continuing education of board members 2.6 Internal control 3. Evaluation of functional committee 3.1 Level of participation to company operation 3.2 Understanding of duties of functional committee 3.3 Improve quality of committee resolutions 3.4 Committee composition and member selection of functional committee 3.5 Internal control

Note 1: The implementation cycle of the board of directors' evaluation, for example: once a year.

Note 2: The period covered by the evaluation of the board of directors, for example: evaluate the performance of the board of directors from January 1, 2023 to December 31, 2023.

Note 3: Evaluation scope include the board, individual board members and functional committees.

Note 4: Evaluation methods include internal self-evaluation by the board of directors, self-evaluation by board members, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note 5: Evaluation contents should at least include following items:

- (1) Performance evaluation of the board of directors: At least including the degree of participation in the company's operations, the quality of board decision-making, board composition and structure, director selection and continuing education, internal control, etc.
- (2) Performance evaluation of individual board members: At least include the understanding of the company's goals and tasks, awareness of directors' responsibilities, degree of participation in company operations, internal relationship management and communication, directors' professional and continuing education, internal control, etc.
- (3) Performance evaluation of functional committees: Participation in the company's operations, awareness of the responsibilities of functional committees, decision-making quality of functional committees, composition and selection

of members of functional committees, internal control, etc.

4. Assessment of the objectives and performance of the Board of Directors for the current and recent years:

- (1) The company has established an audit committee to replace the supervisor. As of March 31, 2024, the board of directors has held 8 meetings and all independent directors attended the meeting.
- (2) In order to strengthen and enhance the functions of the board of directors, the company has formulated the "Corporate Governance Practice Code" to regulate the diversity of board members and the required professional capabilities. The main content includes diversity of the board of directors. In addition to the fact that directors who concurrently serve as company managers should not exceed one-third of the directors' seats, an appropriate multi-dimensional policy should be drawn up based on its own operations, business model, and development needs.
- (3) The company has established a performance evaluation system for the board of directors, and is passed by the board of directors in June 2020 to improve the functions of the board of directors of the company and establish performance goals to enhance the operational efficiency of the board of directors, and conducted performance evaluation on the board of directors, individual directors and functional committees, and submitted the evaluation results to the report of the board of directors on March 14, 2024.

The evaluation items and results are as follows:

- (1) Self-evaluation questionnaire for board performance appraisal: All directors think that the board of directors performed well in all aspects in the questionnaire, showing that the board of directors has effectively guided and supervised the company's strategy, major businesses and risk management.
- (2) Self-evaluation questionnaire for board member performance appraisal: All directors think that the board of directors performed well in all aspects in the questionnaire, showing that the directors have positive comments on the operation of each indicator.
- (3) Self-evaluation questionnaire for functional committee: All committee members think that the members performed well in all aspects in the questionnaire, showing that the committees operate well and help to enhance the board of directors.

3.4.2 Information on the Operation of the Audit Committee:

In the most recent year (2023) the Audit Committee convened 7 meetings. The attendance of independent directors is as follows:

Title	Name	Actual Attendance	Entrusted To Attend Frequency	Attendance Rate (%)	Remarks
Independent Director	Yang Yung Cheng	7	0	100.00	-
Independent Director	Lee Wen Chuan	7	0	100.00	-
Independent Director	Juan Chiung Hua	7	0	100.00	-
Independent Director	Ho Chia Fang	7	0	100.00	-

Other matters to be recorded

1. If the operation of the audit committee is in any of the following circumstances, the

date, period, proposal content, resolution of audit committee and the company's handling of independent committee members' opinions shall be stated:

(1) The matters listed in Article 14(5) of Securities and Exchange Act:

Session	Date	Meeting Content	The results of the Audit Committee's resolution and the company's handling of the Audit Committee's opinions
6 th time of the 5 th committee	2023.02.07	1. Approval of Indonesian joint venture company PT All Cosmos Biotek's (PT Biotek) factory construction case	All Directors approved
7 th time of the 5 th committee	2023.03.22	1. Approval of 2022 consolidate financial report and business report 2. Approval of 2022 Earning Distribution 3. Approval of 2022 Internal Control Statement 4. Approval of 2023 accountant remuneration and competency 5. Approval of pre-approval policy for accountants providing non assurance services 6. Approval of establishment of joint venture company "Eastern Eckare Malaysia Sdn. Bhd " between subsidiary company ACI and ET Group	All Directors approved
8 th time of the 5 th committee	2023.05.11	1. Approval of consolidated financial statements for the first quarter of 2023	All Directors approved
9 th time of the 5 th committee	2023.08.01	1. Joint venture partner YPJ intends to increase shareholding ratio of jointly invested Indonesian subsidiary PTACB	All Directors approved
10 th time of the 5 th committee	2023.08.25	1. Approval of consolidated financial statements for the second quarter of 2023	All Directors approved
11 th time of the 5 th committee	2022.11,10	1. Approval of consolidated financial statements for the third quarter of 2023 2. Approval of amendment of internal control system	All Directors approved

(2) Other resolutions that have not been approved by the Audit Committee but have been approved by more than two-thirds of all directors in addition to previous matters: None

2. The implementation of independent directors' avoidance of the proposal of interest, should state independent director's name, contents of proposal, reasons for avoidance, participation and voting status: None

3. Communication between the Independent Directors and the Internal Audit

Supervisors and Accountants (including major issues, methods and results of communication on the company's financial and business conditions):

- (1)The auditing unit of the company provides the audit report of the internal audit of the Independent Directors in accordance with the regulations, and reports the latest audit situation through the Board of Directors. The Independent Directors could check the financial and business execution status of the company at any time. If there are any doubts about the related operations of the company, it can be deal with the relevant unit Supervisor immediately for review and improvement. There is no such special situation in 2023. Audit committee communicated well with the internal auditors.

Session	Date of Audit Committee Meeting	Way of Communication	Communication Focus Point	Suggestions and Results
7 th time of the 5 th committee	2023.03.22	meeting	2022 “Declaration of Internal Control System”	All members approved and submitted to the board of directors. No major items to be revised.
11 th time of the 5 th committee	2023.11.10	meeting	Amendment of internal control system	All members approved and submitted to the board of directors. No major items to be revised.
12 th time of the 5 th committee	2023.12.14	meeting	Discussion on 2024 internal audit plan	All members approved and submitted to the board of directors. No major items to be revised.

- (2)In the case of communication with external auditors, if the Independent Director has any doubts about the financial and business conditions of the company, he/she must deal with the accountant of the company at any time and guide the relevant units of the company to conduct review and improvement. The company's external auditors were present at the Annual Audit Committee three times in 2023. During the meeting, the financial statements of the year and other related legal requirements are reported. If there are special circumstances, they will report to the members of the Audit Committee immediately. There is no such special situation in 2023.

3.4.3 The situation of the company's Corporate Governance and its differences with the listing company's practice rules

Assessed Items	Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	
(1) Does the company formulate and expose the Code of Practice for Corporate Governance in accordance with the Code of Practice for Corporate Governance in Listed Companies?	√	The company has established a code of practice for governance and disclosed it on the company's website.	No major differences
(2) the company's shareholding structure and shareholders' equity			
(i) Does the company stipulate internal operating procedures to deal with shareholders' suggestions, doubts, disputes and litigation matters, and implement them according to procedures?	√	(i) The company has established relevant internal procedures and set up a spokesperson. Suggestions or questions from shareholders are reported in a timely manner. If there is an equity dispute, it will also assist shareholders to resolve it in a fair and reasonable manner. (ii) The company fully understands shareholder structure through the stock agency and regularly tracks the list of final controllers. (iii) The company has established a trading management method for the related enterprises and has implemented it in order to achieve the risk control mechanism. In accordance with the "Guidelines for the Establishment of Internal Control Systems for Publicly Issued Companies" by the Financial Supervisory Commission, there are internal control and internal audit measures for the supervision of subsidiaries.	No major differences No major differences No major differences
(ii) Does the company have a list of the ultimate controllers of the major shareholders and major shareholders of the actual control company?	√	(iv) The company has established "insider trading prevention measures" to regulate all employees, managers and directors of	No major differences
(iii) Does the company establish, implement and control the risk	√		

Assessed Items	Operation circumstances			Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	Abstracts	
control and firewall mechanism between the enterprises? (iv) Does the company stipulate internal regulations and prohibit insiders from using the undisclosed information on the market to buy and sell securities?	√		the company, and anyone who knows the news of the company based on occupation or control relationship, to prohibit any possible insider trading, and regularly held internal training and promotion on this.	
(3) the composition and duties of the board of directors (i) Does the board of directors formulate a diversified policy and management objectives and have them implemented? (ii) Does the company voluntarily set up other functional committees in addition to the salary remuneration committee and the audit committee? (iii) Does the company stipulate the performance appraisal methods of the board of directors and their assessment methods, and conduct performance evaluations every year and regularly?	√	√	(i) The Company currently has nine directors, including four female directors, which is more than one-third of the directors' seats. The members of the board of directors have professional backgrounds in agriculture, commerce, law and accounting, and all have the necessary qualifications to perform their duties. (ii) The Company will establish other various functional committees in due course according to the company's business development and legal requirements. (iii) The company has a remuneration committee to regularly review the performance of directors and managers, the policies, systems, standards and structures for performance evaluation and remuneration. On June 16, 2020, the board of directors passed the "Performance Evaluation Method of the Board of Directors" and placed it on the public information observation station for disclosure. Internal performance evaluation on the overall operation of the board of directors, the performance of individual directors and the operation of functional committee members are	No major differences Future implementation as appropriate No major differences

Assessed Items	Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	
(iv) Does the company regularly assess the independence of the Chartered Accountant?	√	conducted in December every year. The scoring standards of the evaluation indicators of the method and the evaluation result report are sent to the board of directors for review and improvement. Performance evaluation results are reported on March 14, 2024 board meeting, compensation of directors (include independent directors) and managers are paid in accordance with articles of association, compensation is linked to firm performance and board performance. The performance evaluation results of the company's board of directors are used as a reference when selecting or nominating directors. The performance evaluation results of individual directors will be used as a reference for determining their individual remuneration. (iv) On March 22, 2023 the Company reported the independency assessment of the appointment of External Auditors to the Board of Directors and the Audit Committee for deliberation. All the directors passed the resolution that Deloitte & Touche, Chen Chiang Hsun and Liang Sheng Tai are in line with the company's independence and eligibility assessment criteria. The review is based on the "Chartered Accountant Review and Evaluation Form" prepared by the Company and the "Accountant's independence statement" issued by the accountant. The specific indicators and assessments of the review assessment form are as follows: 1. Accountant independency	No major differences

Assessed Items	Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	
		Abstracts	
		2. Accountant's moral behavior 3. Financial report quality, timeliness 4. Auditor professionalism 5. Assess the various risks that exist or potential to monitor the company 6. Communication with management 7. Rationality of Audit Fee	
4. Does the listing company has competent and adequate number of corporate governance personnel , and assign head of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to conduct business,assit directors and supervisors in regulation compliance, and handling matters related to meetings of the board of directors and shareholders meeting in accordance with the law, making meeting minutes for board meeting and shareholders meeting, etc.)?	√	The company has appointed Manager Choo Lee Hia as the company's corporate governance manager on May 11, 2023, to protect the rights and interests of shareholders and strengthen the functions of the board of directors. Her main responsibilities are as follows: 1. Handle matters related to meetings of the board of directors and shareholders' meetings in accordance with the law 2. Prepare minutes of board of directors and shareholders meetings 3. Assist directors in taking office and continuing their education 4. Provide directors with the information needed to carry out their business 5. Assist directors to comply with laws, etc. 6. Status of further education for corporate governance managers in 2023 (please refer to page 49 of this annual report)	No major differences

Assessed Items	Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	
5. Does the company establish communication channels with interested parties (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder areas on the company's website, and respond appropriately to important corporate societies of concern to stakeholders? Responsibility issues?	√	The company instructs the departments including investor relations, stock affairs, human resources, customer service and procurement to communicate with stakeholders, and has contact information of spokesperson and relevant business departments on the company website to maintain good communication channels and provide timely and effective response to stakeholders.	No major differences
6. Does the company appoint a professional stock agency to handle the affairs of the shareholders' meeting?	√	The company has appointed the stock affairs agent of SinoPac Securities Corporation to handle the affairs of the shareholders' meeting.	No major differences
7. information disclosure (i) Does the company set up a website to expose financial business and corporate governance information? (ii) Does the company adopt other methods of information disclosure (such as setting up an English website, designating a person to be responsible for the	√ √	(i) The Company has set up the company website (https://allicosmos.com/zh-tw) and disclosed financial business and corporate governance information for investors to understand the inquiry. (ii) The Company has assigned personnel to be responsible for information collection and disclosure, and has selected suitable personnel to serve as spokespersons and deputy spokespersons. (iii) The company complies with relevant laws and regulations to announce financial reports and monthly operating conditions within the prescribed time limit.	No major differences No major differences No major differences

Assessed Items	Operation circumstances			Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	Abstracts	
collection and disclosure of company information, implementing the spokesperson system, and placing the company website during the legal person briefing process)? (iii) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second and third quarter financial reports and the monthly operating situation within the prescribed deadline?		√		
8. Does the company have other important information that helps to understand the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relationships, stakeholder rights, directors and supervisors' training, the implementation of risk	√		(i) Employees' rights and interests: The company has established employee codes in accordance with the law, as the basis for the company and employees to protect the legitimate rights and interests of employees. (ii) Employee care: Establish an employee welfare system and an education and training system, and hold activities not on a regular basis. (iii) Investor relationship: The company values shareholders' rights and interests and reveals operating results and long-term strategies	No major differences

Assessed Items	Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
	Yes	No	
management policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance for directors and supervisors, etc.)?		Abstracts through accurate, timely and transparent information disclosure, from annual reports, financial statements signed by accountants, shareholders' meetings and legal person briefings, etc. Investors could understand the operating conditions through above mentioned ways. (iv) Supplier relationship: The company maintains long-term good relations with suppliers. (v) Rights of interested parties: The company has a company website and a spokesperson to provide opinions to stakeholders to safeguard their rights and interests. (vi) The situation of directors and supervisors for further study: The directors of the Company have been regularly studied according to the regulations. (vii) Implementation of risk management policies and risk measurement standards: Various internal regulations are formulated according to law to conduct various risk management and evaluation. (viii) Implementation of customer policy: The company maintains a stable and good relationship with its customers. (ix) The company purchased liability insurance for directors and supervisors: The company has purchased liability insurance for directors.	
9. Please indicate the improvement of the corporate governance evaluation results of the Corporate Governance and Management Center of the Taiwan Securities Exchange Co., Ltd. in the recent year, and propose priority strengthening measures for those who have not yet improved:			

Assessed Items		Operation circumstances		Differences and its Reasons of the Code of Practice for Corporate Governance as compared with other listed companies and OTC companies
		Yes	No	
		Abstracts		
Corporate Governance Evaluation No.		Corporate Governance Review Items		Improvement and Implementation Situation/Circumstances
	2.7	Does the number of independent director seats in the company account for more than one-third of the director seats?		The company currently has 9 directors, and a total of 4 female directors, which has reached more than one-third of the directors.
	2.15	Does the company disclose the independent communication between independent directors and internal audit supervisors and accountants (such as the methods, matters and results of communication on the company's financial reports and financial business status, etc.) on the company's website?		The company has disclosed relevant communication information on the company website.

3.4.4 Composition, responsibilities and operation of the remuneration committee:

1. Remuneration Committee member information

April 30, 2024

Identity	Name	Professional Qualification and Experience	Independency	Number of other public companies in which the Individual is concurrently serving as an independent director
Convener & Independent Director	Lee Wen Chuan	More than five years working experience required by the company's business, member of the Company's Audit Committee and the Remuneration Committee. Used to serve as Head of Agricultural Technology Research Institute. Currently serves as principal of Reboot Agricultural Technology., Ltd, deputy chairman of Taiwan Formosa Organic Association, consultant of Taiwan Miadi Amla Cooperative, Agricultural Bank of Taiwan, Hsin Chu County Local Industry Development Association, and Tze Chiang Foundation.	Qualified for independence	None
Independent Director	Yang Yung Cheng	More than five years working experience required by the company's business, convenor of the Company's Audit Committee and member of the Remuneration Committee. Currently serves as supervisor in Yungchan Construction Co., Ltd , Dan Jie Construction Co., Ltd, Mega International Commercial Bank, and independent director of Timing Pharmaceutical Co., Ltd.	Qualified for independence	None
Independent Director	Ho Chia Fang	More than five years working experience required by the company's business, member of the Company's Audit Committee and Remuneration Committee. Currently serves as Associate Professor of Department of Law at SooChow University, supervisor of Taiwan Society of Health Law, and supervisor of Taipei Dispute Resolution Study Society, supervisor of Medical Law Research Center at SooChow University, consultant of Taiwan Bar Association.	Qualified for independence	None

Note :Each director meets the following conditions during the two years before the election and during the term of office

- (1) Not hired by the company or its affiliates
- (2) Not a director or supervisor of the company or its affiliates.

- (3) Shareholder itself, it's spouse, minor children not holding more than 1% of the total issued shares of the company or being the top 10 nature shareholders, and not held in another name.
- (4) Not managers listed in (1), or spouses, relatives within the second degree of kinship or lineal relatives within the third degree of kinship listed in (2) and (3)
- (5) Directors, supervisors or employees of corporate shareholders who do not directly hold more than 5% of the company's total issued shares, being top 5 shareholders, or designate a representative to serve as a director or supervisor of the company in accordance with Article 27, Item 1 or 2 of the Company Act.
- (6) Not directors, supervisors, or hired by other companies that are controlled by the same person having more than half of the voting shares.
- (7) Directors, supervisors or employees of other companies or institutions who are not the same person or spouse as the chairman, general manager or equivalent of the company
- (8) Not directors, supervisors, managers, or shareholders holding more than 5% of total share of companies having specific finance or business dealings.
- (9) Non-professionals, sole proprietorships, partnerships, business owners of companies or institutions who provide auditing for companies or affiliated companies or have received accumulative remuneration of more than NT\$500,000 in business, legal, financial, accounting and other related services in the last two years, Partners, directors (council members), supervisors (supervisors), managers and their spouses
- (10) None of the circumstances specified in Article 30 of the Company Act.

2. Remuneration Committee operation

- (1) The company's remuneration committee has 3 members.
- (2) The term of office of the current members: June 22, 2022 to June 21, 2025, in the most recent year (2023), the salary remuneration committee convened 3 times meeting. The attendance is as follows:

Title	Name	Actual Attendance	Entrusted To Attend Frequency	Actual attendance rate (%)	Remarks
Convener	Lee Wen Chuan	3	0	100.00	
Committee	Yang Yung Cheng	3	0	100.00	
Committee	Ho Chia Fang	3	0	100.00	

Note 1: Independent director re-elected as general director

Other items to be recorded:

1. The board of directors should state the date of board meeting, session, contents of proposals, resolution and company's handling to Remuneration Committee's opinion if the board does not adopt or modify the suggestions from Remuneration Committee: None
2. The resolutions of the Salary and Remuneration Committee, if the members have objections or reservations and have a record or written statement, the date, period, content of the proposal, opinions of all members and comments on the members shall be stated: None.
3. Discussion items and resolutions of Remuneration Committee, company's handling to committee members' opinions: None

Session	Date	Contents	Resolutions and the Company's handling to Remuneration Committee members' opinions
3rd time of the 5 th committee	2023/03/22	Approved the 2022 employee compensation and director compensation distribution proposal	All presented members approved without objection and submitted to the board of directors for discussion
4th time of the 5 th committee	2023/05/11	Approved the 2023 salary adjustment proposal	All presented members approved without objection and submitted to the board of directors for discussion
5th time of the 5 th committee	2023/12/14	Approval of 2023 year-end bonus	All presented members approved without objection and submitted to the board of directors for discussion

3.4.5 Implementation of promoting sustainable development:

1. Status of promoting sustainable development, differences and causes of differences with listed companies sustainable development practice:

Assessed Items	Operational circumstances		Differences and its Reasons of the Code of Practice for Sustainable Development as compared with other listed and OTC companies
	Yes	No	
1. Does the company establish a structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors for senior management to handle, and supervised by the board of directors?	√		To improve the management of sustainable development, the personnel department is responsible for the promotion and implementation of the sustainable development policy. The company's governance structure for sustainable development is: The Board of Directors - the highest decision-making unit that establishes an effective risk management mechanism for the company. 1. Propose the mission and vision of sustainable development, and formulate corporate social responsibility policies or related management guidelines. 2. Integrate sustainable development into company operations and promote specific plans. 3. Ensure the accuracy of information disclosure related to sustainable development.
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality, and formulate relevant risk management policies or strategies?	√		The company has formulated and adopted the Corporate Social Responsibility Code of Practice, which will fulfill the corporate social responsibility and implement the norms of its code. Incorporate environmental, social and corporate governance factors into company management policies and business activities to manage economic, environmental and social risks and impacts, formulate corporate governance and comply

Assessed Items	Operational circumstances			Differences and its Reasons of the Code of Practice for Sustainable Development as compared with other listed and OTC companies
	Yes	No	Abstracts	
			with laws and regulations, and provide employees with a good working environment and reasonable remuneration and welfare, actively carry out environmental protection and energy conservation, and fulfill social responsibilities.	
3. Environment Issues				
(i) Does the company establish an appropriate environmental management system according to its industrial characteristics?	√		(i) The company obtained ISO certifications and set up rules and regulations for safety, health and environmental protection.	No Major differences
(ii) Is the company committed to improve resource utilization and use recycled materials with low impact on environment?	√		(ii) The company actively promotes becoming a green enterprise, reduces environmental pollution promotes e- operations, and reuse of paper to reduce paper consumption.	The company has no production activities in Taiwan and no harmful environmental
(iii) Does the company assess the potential risks and opportunities of climate change for now and in the future, and take measures to address related issues?	√		(iii) The company pays attention to and adjusts the temperature and opening hours of air conditioners in the business premises in response to the trend of energy saving and carbon reduction. Promote resource recycling and reuse to cope with the real risks caused by climate change.	factors are generated. However, we continue to cooperate with energy conservation and carbon reduction
(iv) Has the company counted greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies for energy conservation and carbon reduction, greenhouse gas reduction, water use reduction or other waste management?	√		(iv) The company has made various measures to reduce its impact on the environment and has made great progress. Through manufacturing and process changes to help reduce 38% of carbon dioxide emissions and saves a lot of gas usage in operation	plans to improve environmental quality.
4. Social Issues				
(i) Does the company establish relevant management	√		(i) The company complies relevant labor laws, formulates relevant	No Major differences

Assessed Items	Operational circumstances			Differences and its Reasons of the Code of Practice for Sustainable Development as compared with other listed and OTC companies
	Yes	No	Abstracts	
policies and procedures in accordance with relevant regulations and international human rights conventions? (ii) Does the company formulate and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating results in employee compensation? (iii) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees? (iv) Does the company establish an effective career development training program for employees? (v) Does the company comply with regulation and international standards in customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant protection policies and appeal procedures for consumer rights? (vi) Does the company formulate and implement supplier management policies to require suppliers	√ √ √ √ √ √		personnel management regulations to protect the basic rights of employees. (ii) The Company has formulated reasonable salary and remuneration policies with reference to market practice, and has established a clear and effective reward and punishment system. Regularly organize employee activities, and have a bulletin board to timely release company information. (iii) The company provides employees with a safe and healthy working environment in accordance with various safety regulations, and regularly conducts employee training and health check. There were no occupational disasters in 2023 (0 fires). (iv) In 2023, a total of 45 classes employee training were held, with 350 participants. The number of class hours is 270 hours. (v) The marketing and labeling of the company's main products are in compliance with relevant regulations and international standards. There is also a grievance system to provide customer service and adjust various processes in a timely manner. (vi) Before dealing with suppliers, the company will conduct an overall assessment, and if there is a record that affects the environment and society, the company will	No Major differences No Major differences No Major differences No Major differences No Major differences

Assessed Items	Operational circumstances			Differences and its Reasons of the Code of Practice for Sustainable Development as compared with other listed and OTC companies
	Yes	No	Abstracts	
to follow regulations on environmental protection, occupational safety and health, and labor human rights?			strengthen the prudent assessment. The suppliers have no record of influencing environmental protection, occupational safety and health or labour human rights.	
5. Does the company refer to international reporting standards or guidelines for preparing reports like substantial development reports to disclose non-financial information? Did those reports obtain assurance or guaranteed opinion from third party?		√	The company has not yet refer to international reporting standards or guidelines for preparing reports like substantial development reports to disclose non-financial information and will prepare the 2024 sustainability report in 2025.	The Financial Supervisory Committee released the "Sustainable Development Action Plan for Listed Companies (2023)" to promote the implementation
6. If the company has substantial development code in accordance with the "Code of Practice for Substantial Development of Listed Companies", please state the difference between its operation and the established code: The company has formulated relevant measures and implemented them accordingly, without major differences.				
7. Other important information that helps to understand the operation of substantial development: (1) The Company complies with environment protection related regulation and ensures environment management, and was recommended as the "Green Industry Consultant" by "Technology and Innovation Association" in November 2011, which was personally led by the Prime Minister of Malaysia, and was the only private enterprise among the ten consultants. (2) The company provides employee feedback channels, and convenes different meetings, such as labor meetings, employee forums, etc., so that staff at all levels and departments could fully express their opinions.				

Note 1: If check "Yes" for the operation circumstances, please describe the important policies, strategies, measures and implementation conditions adopted; if is checked "No", please explain the reason and explain the plan to adopt relevant policies, strategies and measures in the future.

Note2: The principle of materiality means that environmental, social and corporate governance issues that has a significant impact on the company's investors and other stakeholders.

2. Climate-related information of listed companies in the city
Climate-related information implementation status

Item	Execution
1. Describe board and management oversight of climate-related risks, opportunities and governance. 2. Describe how the identified climate risks and opportunities impact the company's business, strategy and finances (short-term, medium-term, long-term). 3. Describe the financial impact of extreme climate events and transition actions. 4. Describe how climate risk identification, assessment and management processes integrate overall risk management System. 5. The scenarios, parameters, assumptions, analysis factors and main financial impacts used should be described if scenario analysis is used to assess resilience to climate change risks 6. If there is a transformation plan to manage climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transition risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. 8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information should be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the information should be explained. The source and quantity of carbon reduction credits or the quantity of renewable energy certificates (RECs) being redeemed. 9. Greenhouse gas inventory and confirmation, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately).	1. An environmental sustainability task force has been established, with the company's senior executives as conveners, to regularly review its implementation of climate-related issues and report them to the board of directors. 2. Carbon reduction planning strives towards the goal of orderly transformation and promotes green low-carbon production, layout of circular economy, and green operation. 3. The company attaches great importance to extreme climate issues and plans to adopt related systems, under long-term optimization, it will help to improve profitability. Its financial impacts include credit and solvency assessments and financial property assessment. 4. Increase the awareness of climate change issues among various departments through interdepartmental mechanisms and implementation of relevant policies. 5~8 The company will gradually carry out greenhouse gas inventory work. In addition, according to the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission, our company is a company with a paid-in capital of less than 5 billion. The individual company (parent company) should apply for greenhouse gas inventory in the third stage, that is, the inventory will be completed in 2026. , verification completed in 2028.

3.4.6 Implementation of integrity management and the difference with the listed company's code of integrity management

Assessed Items	Operation Circumstances			Differences and its Reasons of the Conducts of Integrity as compared with other listed companies and OTC companies
	Yes	No	Abstracts	
1. Establishing integrity management policies and programs (i) Does the company establish integrity management policy which is approved by the board of directors, and express its commitment in its regulations and external documents, as well as the commitment of the board of directors and management to actively implement business policies? (ii) Does the company formulate a risk assessment mechanism to prevent dishonesty, assess and analyze high dishonesty risk operation activities, and formulate procedures to prevent such activities which at least in accordance with seventh paragraph of Article 7 (2) of the “Code of Integrity of Listed Companies”? (iii) Does the company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the plan?	√		(i) The Company has established an integrity management and conduct publicity, The company's directors and management value ethical and honest business practices, and implement them in internal management and external business activities. (ii) The Company complies with integrity management policy and forbids fraud and improper acceptance, and has internal audit and control system to prevent dishonesty risk. (iii) The Company has established relevant standards and penalties in the staff code, and conduct propaganda and education training to implement the act of preventing dishonesty from time to time.	No Major differences No Major differences No Major differences
2. The Implementation of Integrity Management (i) Does the company assess the integrity record of the object of	√		(i) The company will conduct a credit report searching to evaluate its records before trading with important customers to avoid	No Major differences

Assessed Items	Operation Circumstances			Differences and its Reasons of the Conducts of Integrity as compared with other listed companies and OTC companies
	Yes	No	Abstracts	
the transaction and specify the terms of good faith in the contract with the transaction partner? (ii) Does the company set up a special unit that promotes the integrity management of the company under the board of directors, and regularly reports (at least once a year) its integrity policy, prevention on dishonesty, and execution to the board of directors? (iii) Does the company formulate a policy to prevent conflicts of interest, provide a proper presentation channel, and implement it? (iv) Has the company established an effective accounting system and internal control system for the implementation of credit management, and the internal auditing unit or external auditing team will establish audit plan based on the assessment of dishonesty behavior risk, and audit the compliance status of dishonesty behavior. (v) Does the company regularly hold education training inside and outside of integrity management?	√ √ √ √	√	engaging in commercial transactions with dishonest counterparties. (ii) The Company has not yet set up a special (concurrent) unit for the promotion of corporate integrity management under the Board of Directors, but it continues to promote and follow relevant policies. (iii) The Company has established a code of good faith operation has a system of directors' avoidance and has a complaint mailbox to provide a statement pipeline and implement it. (iv) The Company has established an accounting system and an internal control system, and implemented them. The company's internal auditing unit performs auditing operations in accordance with the implementation measures for internal control and auditing systems of public companies, and conducts auditing operations in accordance with the annual auditing plan. (v) The Company enhances employees' awareness of honesty and behavior through education and training from time to time.	Future implementation as appropriate No Major differences No Major differences No Major differences
3. The Operation of The Company's Reporting System (i) Does the company have a specific reporting and reward system, and establish a	√		(i) The company has a complaint mailbox. When employees find violations of laws and regulations, they may report it at any time and the company will report it to the	No Major differences

Assessed Items	Operation Circumstances			Differences and its Reasons of the Conducts of Integrity as compared with other listed companies and OTC companies
	Yes	No	Abstracts	
convenient reporting channel, and assign appropriate personnel to the respondents? (ii) Does the company stipulate the operational procedures for investigation, relevant actions and confidentiality mechanism after investigation? (iii) Does the company take measures to protect the prosecutor from improper handling due to the report?	√ √		relevant unit as soon as possible. (ii) The company has a complaint mailbox to accept the report, and the relevant materials are handled confidentially. (iii) The company takes protective measures against the informant and does not dispose of it due to the report.	No Major differences No Major differences
4. Strengthen Information Disclosure Does the company exposes the contents of its integrity management code and promotes its effectiveness on its website and public information observatories?	√		The Company will disclose information on the Code of Good Practice in company's website and the public information observatory and the annual report of the shareholders' meeting.	No Major differences
5. If the company has its own code of conduct in accordance with the Code of Conduct for the Listing of Companies in the Listed Companies, please describe the difference between its operation and the code: The company has established relevant measures and implemented them accordingly. No major difference.				
6. Other important information that helps to understand the company's integrity operation: (If the company reviews and amends its established code of conduct, etc.): None.				

7. If the company has established a corporate governance code and related regulations, it should disclose its inquiry method:

Company website <https://allcosmos.com/zh-tw/>

MOPS <http://mops.twse.com.tw>

8. Other important information that is sufficient to enhance the understanding of the operation of corporate governance must be disclosed together:

1. Directors' training status

Title	Name	Training Date	Organizer	Course taken	Credit hours	Total training hours as per report
Chairman	Peng Shih Hao	2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	6
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	
Director	Peng Chia Lin	2023.04.27	Securities & Futures Institute	Sustainable development action plans for listed companies	3	18
		2023.07.04		2023 Cathay Sustainable Finance and Climate Change Summit Forum	3	
		2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	
		2023.11.29	Securities & Futures Institute	112 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	3	
Director	Lo Tzu Wu	2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	6
		2023.11.22	Securities & Futures Institute	112 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	3	
Director	Peng Yi Fen	2023.08.25	Taiwan Corporate Governance	Looking at the information security governance strategies	3	12

Title	Name	Training Date	Organizer	Course taken	Credit hours	Total training hours as per report
Director	Lim Tau Boon		Association	of listed companies from the perspective of sustainable development of ESG companies		6
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	
		2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	
Independent Director	Yang Yung Cheng	2023.11.08	CPA Associations R.O.C. (Taiwan)	Analysis on the practical operation of independent directors and audit committee	3	6
		2023.12.21		Accountants' responsibilities and responses to company shareholder disputes	3	
Independent Director	Lee Wen Chuan	2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3	6
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	
Independent Director	Juan Chiung Hua	2023.07.03	Intangible Assets and Enterprise Evaluation Association	Application of biotechnology evaluation in investment evaluation, technology licensing, impairment testing, and damage identification	4	16
		2023.09.22	Securities & Futures Institute	Corporate Governance and Securities Regulation	3	
		2023.11.09		The impact of the implementation of controlled foreign companies (CFC) in my country	3	
		2023.11.09		Accurately grasp the ESG sustainability equation	3	

Title	Name	Training Date	Organizer	Course taken	Credit hours	Total training hours as per report
		2023.11.10	Taiwan Corporate Governance Association	Competition and Cooperation - Joint Code of Conduct and Practice	3	
Independent Director	Ho Chia Fang	2023.08.25	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	2	12
		2023.11.10		Competition and Cooperation - Joint Code of Conduct and Practice	3	

2. Manager training status

Title	Name	Training Date	Organizer	Course taken	Credit hours	Total training hours as per report
Chief Financial Officer	Janice Cheow	2023.06.08	Taiwan Accounting Research and Development Foundation	Regulations and common deficiencies in the preparation of corporate financial reports	3	12
		2023.06.09		Process and practice of preparation of corporate financial reports	3	
		2023.07.31		Policy development and internal control management practices related to ESG sustainability and self-preparation of financial reports	6	
Corporate Governance Officer	Choo Lee Hia	2023.05.29	Taiwan Accounting Research and Development Foundation	Internal Audit Compliance for Corporate Governance Personnel	6	12
		2023.11.22		112 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	6	
Audit Manager	Tai Hong Wen (Note)	2023.06.07	Taiwan Accounting Research and Development Foundation	Corporate fraud investigation practice and case analysis Professional Training Course	6	12
		2023.07.07		Common internal control management deficiencies in enterprises and analysis of practical cases	6	

Note: Tai Hong Wen resigned on 2024/1/2 due to his career plan

(9) The implementation status of the internal control system should disclose the following matters

1. Company to the Public Declaration for Internal Control Statement

All Cosmos Bio-Tech Holding Corporation
Public Declaration for Internal Control System

Date: March 14, 2024

With respect to the internal control system for 2023, based on the self inspection result, we hereby represent as follows:

I. The Company is aware that the establishment, implementation and maintenance of the internal control system are the responsibility of the board of directors and managers of the company. The Company has established this system. The purpose is to provide reasonable results in terms of operational effectiveness and efficiency (including profitability, performance and asset security, etc.), reporting reliability, timeliness, transparency, compliance with relevant regulations and compliance with relevant laws and regulations.

II. The internal control system has its inherent limitations. Regardless of how well the design is perfected, an effective internal control system can only provide reasonable assurance of the achievement of the above three objectives; and, due to changes in the environment and conditions, the effectiveness of the internal control system may change. However, the company's internal control system has a self-monitoring mechanism. Once the identification is missing, the company will take corrective action.

III. The Company judges whether the design and implementation of the internal control system is effective based on the judgment item of the effectiveness of the internal control system as stipulated in the “Guidelines for the Establishment of Internal Control System for Public Offering Companies” (hereinafter referred to as “Processing Guidelines”). The internal control system judgment project used in the “processing criteria” is based on the process of management control, and the internal control system is divided into five components: 1. Environment Control, 2. Risk assessment, 3. Operation control, 4. Information and communication, and 5. Operations Supervision. Each component also includes several items. Please refer to the “Handling Guidelines” for the above items.

IV. The company has adopted the above internal control system to judge the project and evaluate the effectiveness of the design and implementation of the internal control system.

V. Based on the results of the previous assessment, the Company believes that the internal control system (including supervision and management of subsidiaries) of the Company on December 31, 2023, including the understanding of the effectiveness and efficiency objectives of the operation, and reporting the design and implementation of the internal control system, which is reliable, timely, transparent and in compliance with relevant regulations and laws, is effective and can reasonably ensure the achievement of the above objectives.

VI. This statement will become the main content of the company's annual report and public statement, and will be made public. If the content of the above disclosure is illegal or concealed, it will involve legal liabilities such as Articles 20, 32, 171 and 174 of the Securities Exchange Law.

VII. This statement was approved by the board of directors of the Company on March 14, 2024. Among the 9 directors present, there was 0 person holding dissent, and the others all agreed upon the contents of this Declaration.

All Cosmos Bio-Tech Holding Corporation

Chairman: Peng Shih Hao

General Manager : Peng Shih Hao

2. If the entrusted accountant project examines the internal control system, the CPA's review report shall be disclosed: None

(10) In the most recent year at the end of the annual report, the company and its internal personnel were punished according to law, those whose punishment results may have a significant impact on shareholders' equity or securities prices, it should list the punishment content, main deficiencies and improvement: None.

(11) Important resolutions of the shareholders' meeting and the board of directors in the most recent year at the end of the annual report:

1. Important resolutions and implementation of the shareholders' meeting

Meeting Date	Important resolutions	Implementation situation
2023.06.12	1. Recognized consolidated financial statements for 2022	Has been implemented according to the resolution
	2. Recognized earnings distribution proposal for 2022	Has been implemented according to the resolution. The board of directors has set July 16, 2023 as the ex-dividend base date, and the distribution has been completed on August 1, 2023. The cash dividend per share is NT\$2.50
	3. Approved the amendment to the "Articles of Association"	Has been implemented according to the resolution. The company has announced the revised "Articles of Association" on the company's website, and handles in accordance with the revised Articles of Association.

2. Important Resolution of The Board of Directors

Meeting Date	Important resolutions
2023.02.07	1. Approved the factory building proposal of the company's Indonesia joint venture PT All Cosmos Biotek (PT Biotek for short)
2023.03.22	1. Approved 2022 consolidated financial statement and business report 2. Approved the external auditor's fee and its applicability and independency assessment 3. Approved the "Pre-approval policy for non-assurance services provided by external accountant" 4. Approved 2022 remuneration for employees and board directors

Meeting Date	Important resolutions
	5. Approved the company's 2022 surplus distribution case 6. Approved the company's 2022 Internal Control System Statement 7. Approved the amendment of Articles of Association 8. Approved subsidiary ACI to establish a joint venture company with Eastern Multimedia Group 9. Approved the assessment of if turning account receivable/other receivables/prepayments/deposited margin exceeds the normal credit line/transaction period for more than three months and the amount is significant to loan funds 10. Approved the 2023 ordinary shareholders meeting
2023.05.11	1. Approved the company's consolidated financial statements for the first quarter of 2023 2. Approved 2023 salary adjustment proposal 3. Approved the 2022 profit distribution ex-dividend base date plan 4. Approved the company's corporate governance officer assignment 5. Approved the assessment of if turning account receivable/other receivables/prepayments/deposited margin exceeds the normal credit line/transaction period for more than three months and the amount is significant to loan funds
2023.08.01	1. Approved the joint venture partner YPJ to increase shareholding ratio in the jointly invested company PTACB
2023.08.25	1. Approved the company's consolidated financial statements for the second quarter of 2023 2. Approved the company's 2023 first half surplus distribution case 3. Approved the assessment of if turning account receivable/other receivables/prepayments/deposited margin exceeds the normal credit line/transaction period for more than three months and the amount is significant to loan funds
2023.11.10	1. Approved the company's 2023 third quarter consolidated financial statements 2. Approved the case of applying USD2,000,000 quota from Shanghai Commercial& savings Bank 3. Approved the amendment of internal control system 4. Approved the assessment of if turning account receivable/other receivables/prepayments/deposited margin exceeds the normal credit line/transaction period for more than three months and the amount is significant to loan funds
2023.12.14	1. Approved the group's 2023 year-end bonus case 2. Approved the group's 2024 budget 3. Approved 2024 internal audit plan 4. Approved the amendment to procedure of rules of board meeting 5. Approved the case of applying USD2,000,000 quota from First Commercial Bank 6. Approved the assignment of information security officer
2024.03.14	1. Approved the 2023 consolidated financial statement and business report 2. Approved the company's accountant remuneration and its suitability and independence assessment case 3. Approved the 2023 employee remuneration and director remuneration distribution proposal 4. Approved the company's 2023 profit distribution plan

Meeting Date	Important resolutions
	5. Approved the ratification of the appointment and dismissal of the company's current audit supervisor 6. Approved the 2023 internal control system statement 7. Approved the assessment of if turning account receivable/other receivables/prepayments/deposited margin exceeds the normal credit line/transaction period for more than three months and the amount is significant to loan funds 8. Approved to hold 2024 shareholders meeting

- (12) In the most recent year and at the date of publication of the annual report, the director or supervisor has different opinions on the board of directors through important resolutions and has a record or written statement. The main contents are: None.
- (13) Summary of the resignation or dismissal of the company's chairman, general manager, accounting supervisor, financial supervisor, internal audit supervisor, corporate governance supervisor, and R&D supervisor in the most recent year and at the date of publication of the annual report: None.

April 30, 2024

Title	Name	Date of appointment	Date of Dismissal	Reason
Internal Audit Supervisor	Tai Hong Wen	2012/09/28	2024/01/12	Career Plan
ACBT Operation GM	Ling Siu Hung	2017/01/01	2024/01/31	Retirement

3.5 Information on CPA Professional Fees

(1) Information of Professional Fees to CPA By Fee

Unit: NT\$ in Thousand

Name of CPA firm	Name of CPA		Duration	Audit Fee	Non - Audit Fee	Total	Remarks
Deloitte & Touché	Chen Chiang Hsun	Liang Sheng Tai	Year 2023	4,800	0	4,800	-

Note: Please specify non-audit fee contents (e.g. tax audit, assurance or other financial consulting services)

- (1) Non-audit public fees paid to certified accountants, firms affiliated with certified accountants, and affiliated companies are more than a quarter of audit public fees, due to disclosure of audit and non-audit public fees and non-audit service content: None
- (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 and reasons for the audit fee before and after the change shall be disclosed: Noe
- (3) the audit public fee has decreased by more than 10% compared with the previous year, the amount, proportion and reasons for the decrease in audit public fee shall be disclosed: NA

3.6 Replacement of CPA information: If the company has changed the accountant in the last two years and after the period, it should disclose the matter:

(1) About former accountant :

Date of Change	March 16, 2022		
Reasons and explanation	Due to the internal staff rotation of the firm, the company's financial report certification accountant will change from Chen Chiang Hsun and Ho Jui Hsuan to Chen Chiang Hsun and Liang Sheng Tai from the first quarter of 2022.		
If the appointing person of accountant terminates or does not accept appointment	party situation	Accountant	Appointing Person
	Voluntary termination of appointment	NA	NA
	Not accepting (continuing) appointment	NA	NA
Opinions and reasons for audit reports other than unqualified opinions issued within the latest two years	NA		

Disagreement with the issuer	Yes	-	Accounting principle and practice
		-	Disclosure of financial report
		-	Audit scope and process
		-	Others
		-	
	No	✓	
Note :		N/A	
Other disclosures (Paragraph 6 of Article 10 of these guidelines which should be disclosed)		None	

(2) About the successor accountant

Firm	Deloitte & Touché
Name of Accountant	Chen Chiang Hsun, Liang Sheng Tai
Date of Appointment	March 16, 2022
Consolation results for accounting for specific transactions or accounting principles and opinion on possible issuance of financial reports	None
Written opinion on dissenting matters between successor accountant and predecessor accountant	None

(3) Reply letter from the former accountant to Item 1 and Item 3 of Item 6 of Article 10 of this Standard: None.

3.7 Where the company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm:

N/A

3.8 Any transfer of equity interests and/or pledge of or change in equity interests by a director, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up the date of printing of the annual report.

(1) Changes in the shareholding of Directors, Managers and major shareholders

Unit : share

Title	Name	2023		As of April 23, 2024		
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	
Chairman	Peng Shih Hao	-	-	-	-	
Director	Lo Tzu Wu	-	-	-	-	
Director	Peng Chia Lin	-	-	-	-	
Director	Peng Yi Fen	-	-	-	-	
Director	Lim Tau Boon	-	-	-	-	
Independent Director	Yang Yung Cheng	-	-	-	-	
Independent Director	Lee Wen Chuan	-	-	-	-	
Independent Director	Juan Chiung Hua	-	-	-	-	
Independent Director	Ho Chia Fang	-	-	-	-	
ACBT CEO	Peng Shih Hao					
ACBT CFO	Janice Cheow	-	-	-	-	
ACBT Operation General Manager	Ling Siu Hung (Note)	-	-	-	-	
ACI Production General Manager	Lai Chan Wai	-	-	-	-	
AESB CEO	Wan Azha Bin Wan Mustapha	-	-	-	-	
ACI R&D Manager	Charles Then	-	-	-	-	
ACI Sales & Technical Manager	Roslan Bin Arshad	-	-	-	-	

Note: ACBT Operation General Manger Ling Siu Hung retired on 2024/01/31

(2) Directors, supervisors, managers and shareholders who hold more than 10% of the shareholdings are related persons: none.

(3) Changes in the pledge of shares of directors, supervisors, managers and shareholders holding more than 10% of the shares: None.

3.9. Information about the Top Ten Shareholders who are related parties.

April 23, 2024; Unit of Shares : in Thousand

NAME	Shareholding		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
All Cosmos Investment Ltd (Representative: Peng Shih Hao)	22,500	35.14%	-	-	-	-	Oil Palm Plantation Ltd	Siblings	-
							Maxtrength Corp	Siblings	
							Asia Win Development Ltd	Sibling	
							Sheng Hua Ltd	Parents	
Oil Palm Plantation Ltd (Representative: Peng Shih Chieh)	7,500	11.71%	-	-	-	-	All Cosmos Investment Ltd	Siblings	-
							Maxtrength Corporation	Siblings	
							Asia Win Development Ltd	Siblings	
							Sheng Hua Ltd	Parents	
Maxtrength Corp (Representative: Peng Chia Lin)	4,500	7.03%	-	-	-	-	All Cosmos Investment Ltd	Siblings	-
							Oil Palm Plantation Ltd	Siblings	
							Asia Win Development Ltd	Siblings	
							Sheng Hua Ltd	Parents	
Chen Pin Weng	4,000	6.25%	-	-	-	-	-	-	-
Phillip Securities (H.K) investment account hosted by Cathay Bank (note)	2,985	4.66%	-	-	-	-	-	-	-
Asia Win Development Ltd (Representative: Peng Yi Fen)	2,500	3.90%	-	-	-	-	All Cosmos Investment Ltd	Siblings	-
							Oil Palm Plantation Ltd	Siblings	
							Maxtrength Corporation	Siblings	
							Sheng Hua Ltd	Parents	
Sheng Hua Ltd (Representative: Peng Sheng Ching)	2,500	3.90%	-	-	-	-	All Cosmos Investment Ltd	Parents	-
							Oil Palm Plantation Ltd	Parents	
							Maxtrength Corp	Parents	
							Asia Win Development Ltd	Parents	
Hong Kong customers' investment account hosted by Capital Securities (note)	1,811	2.82%	-	-	-	-	-	-	-
Lin Chun-Wen	543	0.84%	-	-	-	-	-	-	-
First Venture Capital Co., Ltd. (Representative: You Sao Wen)	488	0.76%	-	-	-	-	-	-	-

Note: The legal person shareholder is a special legal person of investment trust account, not a representative person.

3.10 The number of shares held by the company, the company's directors, managers and the company directly or indirectly controlled by the company for the same investment business, and the combined calculation of the comprehensive shareholding ratio

Unit: Shares, %

Reinvested Entities	Investment by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Total investment	
	Shares	%	Shares	%	Shares	%
ALL COSMOS INDUSTRIES SDN BHD (“ACI”)	30,000,000	100	-	-	30,000,000	100
SABAH SOFTWOODS HYBRID FERTILISER SDN BHD (“SSHF”)	33,000,000	55	-	-	33,000,000	55
PT ALL COSMOS BIOTEK (“PTACB”)	108,640	83	-	-	108,640	83
PT ALL COSMOS INDONESIA (“PT ACI”)	79,200	99	800	1	80,000	100
GK BIO INTERNATIONAL SDN BHD	3,600,000	60	-	-	3,600,000	60
ARIF EFEKTIF SDN BHD (“AESB”)	-	-	245,000	49	245,000	49
KINABALU LIFE SCIENCES SDN BHD (“KLSSB”)	-	-	2,400,000	60	2,400,000	60
COSMOS NUTRISCIENCE SDN BHD (“CNSB”)	-	-	1,200,000	92	1,200,000	92
EASTERN ECKARE MALAYSIA SDN BHD (“EEMSB”)	-	-	4,500,000	60	4,500,000	60
SAWIT ECOSHIELD SDN BHD (“SESB”)			2,000,000	40	2,000,000	40

Note: Investment made by the company using the equity method

4.0 Capital Overview

4.1 Capital and Shares

4.1.1 Source of equity

4.1.1.1 The formation of equity

March 31, 2024 ; Unit of Shares : in Thousand, NT\$ in Thousand

Date	Issued Price (NT\$)	Authorized Capital		Paid-up Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Offset with property other than cash	Others
2010.03	10	600,000	6,000,000	0.001	0.01	Set up share capital	None	—
2010.06	10	600,000	6,000,000	30,000	300,000	Equity conversion (Note)	None	Note. 1
2012.09	10	600,000	6,000,000	50,000	500,000	Convert Surplus to Capital increase	None	—
2014.08	10	600,000	6,000,000	55,000	550,000	Capital increase by Cash	None	—
2015.05	10	600,000	6,000,000	56,500	565,000	Employee stock option conversion	None	—
2017.06	10	600,000	6,000,000	64,034	640,340	Capital increase by Cash	None	Note 2

Note1: For the restructuring of the group, the company and the subsidiary ACI carry out a 100% equity conversion.

Note 2: It was approved and issued on April 21, 2017, No. 10617012821.

4.1.1.2 Type of shares

March 31, 2024 ; Unit of Shares: in Thousand

Shareholding Category	Authorized Capital			Remark
	Issued shares	Un-issued shares	Total	
Common Stock	64,034	535,966	600,000	Listed stocks

4.1.1.3 General information on the general declaration system: not applicable

4.1.2 Structure of Shareholders

April 23, 2024 ; Unit of Shares : in Thousand

Structure Amount	Governme nt body	Financial institutions	Other juridical persons	Individuals	Foreign institutions & foreigners	Total
Members	-	3	9	2,679	24	2,715
Shares held	-	70	846	18,079	45,039	64,034
Percentage (%)	-	0.11%	1.32%	28.23%	70.34%	100.00%

Note: The company has no Mainland China shareholders

4.1.3 Shareholding Distribution Status

April 23, 2024 ; Unit : Shares, %

Range of shares held	Number of shareholders	Shares held	Percentage (%)
1 - 999	412	38,389	0.06
1,000 - 5,000	1,813	3,509,666	5.48
5,001 - 10,000	238	1,870,988	2.92
10,001 - 15,000	70	915,287	1.43
15,001 - 20,000	44	810,000	1.26
20,001 - 30,000	48	1,233,010	1.93
30,001 - 40,000	20	703,000	1.10
40,001 - 50,000	17	805,000	1.26
50,001 - 100,000	25	1,665,309	2.60
100,001 - 200,000	13	1,725,000	2.69
200,001 - 400,000	5	1,431,000	2.23
400,001 - 600,000	2	1,031,000	1.61
600,001 - 800,000	-	-	-
800,001 - 1,000,000	-	-	-
Above 1,000,001	8	48,296,352	75.42
Total	2,715	64,034,001	100.00

4.1.4 List of major shareholders

April 23, 2024 ; Unit of Shares, in Thousand

Shareholding Major Shareholders	Register Place	Shares held	Percentage (%)
All Cosmos Investment Ltd	Republic of Seychelles	22,500	35.14%
Oil Palm Plantation Ltd	British Virgin Islands	7,500	11.71%
Maxtrength Corp.	Republic of Seychelles	4,500	7.03%
Chen Pin Wen	Republic of China	4,000	6.25%
Phillip Securities (H.K) investment account hosted by Cathay Bank	Hong Kong	2,985	4.66%
Sheng Hua Ltd.	Republic of Seychelles	2,500	3.90%
Asia Win Development Ltd.	British Virgin Islands	2,500	3.90%
Hong Kong customers' investment account hosted by Capital Securities	Hong Kong	1,811	2.82%
Lin Chun Wen	Republic of China	543	0.84%
First Venture Capital	Republic of China	488	0.76%

4.1.5 Market Price, Net Value, Earnings, Dividends Per Share of the Latest Two Fiscal Years, and Related Information

Unit : NT\$; Thousand Shares

Item \ Year		2022	2023	As of March 31, 2024
Market price per share	Highest	98.80	73.10	55.00
	Lowest	38.50	39.05	43.45
	Average	59.24	54.88	50.38
Net value per share	Before Distribution	36.96	35.21	—
	After Distribution	34.46	34.21	—
Earnings per share	Shares	64,034	64,034	64,034
	EPS	5.75	2.18	—
Dividends per share	Cash Dividend	2.50	1.0(註 1)	—
	—	Stock Dividend from Retained Earnings	—	—
	—	Stock Dividend from Capital Reserve	—	—
	—	—	—	—
Return on Investment analysis	Price to earnings ratio	10.30	25.17	—
	Cost to profit ratio	23.70	54.88	—
	Cash dividend yield	4.22%	1.82%	—

Note1: Including the dividend distribution amount for 2023 as determined by the board of directors on March 14, 2024

Note 2: The 2023 cash dividend has been approved by the board of directors on March 14, 2024

Note 3: Price-to-earnings ratio = average closing price per share for the year/earnings per share
Cost-to-profit ratio = average closing price per share for the year/cash dividend per share
Cash dividend yield = cash dividend per share / average closing price per share for the year

4.1.6 Company Dividend Policy And Implementation Status

1. The Dividend policy as set forth in the company's articles of association

According to Article 129 of the Company's Articles of Association, the main provisions of the dividend policy are as follows:

Except as otherwise provided by the Listing Cabinet Act, if the company makes a profit before tax in the year, the company should make a profit before tax: (1) up to 10% (10%), the lowest is One (1%) as an employee's remuneration (including employees of the company and/or related employees) (hereinafter referred to as "employee remuneration"); and (2) up to 10% (10%) as director's remuneration (hereinafter referred to as "Director's remuneration"). Regardless of the above, if the company still has accumulated losses in previous years, the company should reserve the amount of remuneration before the employee's remuneration and directors' remuneration. Employees' remuneration and director's remuneration are available in cash and/or in accordance with the provisions of the laws of the British Cayman Islands, the provisions of the Listing Rules and the resolutions of the board of directors, which are more than two-thirds of the directors' attendance and the majority

of the directors' consents. Employee remuneration and Director remuneration can be paid in cash and/or stock. The above-mentioned resolutions on the issuance of employee remuneration and directors' remuneration shall be reported to the shareholders at the shareholders' meeting after the resolution of the board of directors is passed.

In addition, according to Article 130A of the company's articles of association, the company may handle surplus distribution or loss appropriation after the end of each half of the fiscal year.

Except as otherwise provided by the Company Law and the Listing Act, if the company's annual total final accounts have a surplus, the Board of Directors shall formulate the surplus distribution case and submit it to the shareholders' meeting in the following manner and order:

- (1) The tax payable in accordance with the law;
- (2) make up for the accumulated losses of previous years (if any);
- (3) 10% of the provisions of the Listing Rules Act is the statutory surplus reserve, except when the statutory surplus reserve reaches the paid-up capital of the company;
- (4) to make a special surplus reserve in accordance with the requirements of the Listing Cabinet Act or the Administration; and
- (5) According to the amount of the current year's surplus after deducting the above items (1) to (4), the accumulated undistributed surplus in the previous period is the available surplus, and the available surplus can be distributed by the Board of Directors. The shareholders' meeting will be distributed according to the resolution of the listing cabinet law. Dividend distribution can be issued in cash dividends and/or stock dividends. Under the laws of the British Cayman Islands, the minimum dividend amount should be at least 10% of the current year's surplus minus items (1) to (4) above, and the proportion of cash dividend distribution shall not be less than 50% of the total shareholder's dividend.

2. Situation of dividend distribution proposed by the company's shareholders' meeting:

The 2023 surplus distribution plan was approved by the board of directors on March 14, 2024, and a cash dividend of NT\$1.0 per share will be distributed; the company expects to hold a meeting of shareholders on June 21, 2024 to report on the distribution of cash dividends.

4.1.7 The impact of the gratuitous allotment of shares proposed at this shareholders' meeting on the company's operating performance and earnings per share: According to the resolution of the board of directors on March 14, 2024, the distribution of surplus in 2023 will be paid in cash, so it is not applicable.

4.1.8 Remuneration for Employees, Directors and Supervisors

1. The employee's remuneration and the number or scope of remuneration of Directors and Supervisors as set out in the company's articles of association: If there is any pre-tax profit in the year specified in the articles of association of the company, it should be paid in the pre-tax profit: (1) Maximum is 10%, minimum is 1% as employee remuneration; and (2) maximum 10% as Director's remuneration.
2. In the current period, the estimated basis of the remuneration for employees, directors and supervisors, is calculated based on the number of shares of employees paid by stocks and the actual distribution amount are accounted for when there is a difference between the estimated number of shares and the estimated number of shares.

The Company will estimate the remuneration amount of employees and directors and the allotment of shares according to the company's articles of association. If the actual amount of the allotment and the estimated number of shares are different, the accounting treatment will be included in the actual annual adjustment of the cost.

3. The Board of Directors through the distribution of remuneration:
 - (1) The amount of employee remuneration and director remuneration distributed in cash or stock, if there is any discrepancy from the estimated amount of recognized expenses in the year, the discrepancy, reason and treatment shall be disclosed: In 2023, in accordance with the Articles of Association and approved by the board of directors on March 14, 2023, the company distributed NT\$6,577,530 in employee remuneration and NT\$3,277,321 in directors' remuneration, accounting for 3% and 2% of the pre-tax net profit before distribution respectively. And there is no difference with the estimated amount of recognized expenses in the year.
 - (2) The proportion of employees' remuneration paid by stocks to the total net profit after tax and the total amount of employees' remuneration: not applicable.
4. The actual allotment of the employee's dividends in the previous year and the directors' and supervisors' remuneration (including the number of shares, the amount and the share price), the difference with the amount, reason and handling situation between the employee's dividends, the director's, and the supervisor's remuneration shall be stated:

In 2022, the employees' remuneration will be NT\$11,627,490 and the director's compensation will be NT\$7,751,660, and there is no difference from the annual estimated amount of recognized expenses.

4.1.9 The situation in which the company bought back the shares of the company: None.

4.2. the company debt (including overseas corporate bonds) handling situation:

Type	The first unsecured conversion of corporate bonds in the Republic of China
Issue date	September 21, 2022
Face value	NT\$100,000
Issue price	Issued at 101.5% of par value
Total amount	NT\$507,500 thousands
Interest Rate	0%
Duration	3 years Expiry date : September 21, 2025
Guarnantee agency	Not applicable
Trustee	Bank SinoPac
Underwriter	SinoPac Securities
Lawyer	Not applicable
Accountant	Not applicable
Repayment Method	The issuance period of the company's bonds is three years. The holders of the convertible corporate bonds shall convert into the company's ordinary shares in accordance with Article 13 of the Issuance and Conversion Regulations or exercise the sell-back option in accordance with Article 22, and the Company shall issue and convert Article 21 of the Measures, unless it is withdrawn in advance, or the company buys back and cancels it at the business office of a securities firm, it will be repaid in cash according to the face value of the bond when it matures.
Outstanding principal	NT\$507,500 thousands
Redeem or advance terms of repayment	1. From the December 22, 2022 to the 40th day (August 12, 2025) before the expiration of the issuance period of the convertible corporate bonds, when the closing price of the Company's common stock exceeds the current conversion price by 30% (inclusive) or more for 30 consecutive business days, the company may, within the next 30 business days, send a "bond recall notice" by registered mail to bondholders, the redemption price shall be set at the face value of this bond, and all the bonds shall be

		recovered in cash, and an announcement shall be made to the OTC trading center. The company shall, within five business days after the bond recall reference date, redeem the bondholder's convertible corporate bonds in cash at the face value of the bonds in order to implement the call-back request. 2. From the December 22, 2022 to the 40th day (August 12, 2025) before the expiration of the issuance period of the convertible corporate bonds, if the outstanding balance of the converted corporate bonds is less than 10% of the original issued total amount, the company may send a "bond recall notice" by registered mail at any time thereafter to bondholders, The redemption price shall be set at the face value of this bond, and all the bonds shall be recovered in cash, and an announcement shall be made to the OTC trading center. The company shall, within five business days after the bond recall reference date, redeem the bondholder's convertible corporate bonds in cash at the face value of the bonds in order to implement the call-back request. 3. If the creditor fails to reply in writing to the company's stock affairs agency before the bond recovery benchmark date stated in the "Bond Recovery Notice" , the company will redeem the convertible corporate bonds it holds in cash at the face value of the bonds within five business days after the bond recovery reference date.
Restrictions		Not applicable
Name of credit rating agency, date of rating, Corporate Bond Rating Results		Not applicable
With other rights	Amount of converted (exchanged or subscribed) ordinary shares, overseas depositary receipts or other securities as of	None

	the publication date of the annual report	
	Issuance and conversion (exchange or subscription) method	Please refer to the public prospectus of the company's first unsecured conversion corporate bond in the Republic of China
	Issuance and conversion, exchange or subscription methods, issuance conditions on possible dilution of equity and impact on existing shareholders' rights and interests	Since the conversion of corporate bonds is a financing method of the nature of liabilities, there is no dilution of the company's equity before the creditor does not request the conversion, and the creditor will choose a more favorable time point to convert during the conversion period, so it has a deferred effect on equity dilution , and will not have an immediate impact on the company's management rights and earnings per share.
	Depository institution	Not applicable

2. Convert corporate bond information

Type		The first unsecured conversion of corporate bonds in the Republic of China	
Item	Year	2023	As of March 31, 2024
Market price	Highest	104.50	100.50
	Lowest	93.00	99.05
	Average	100.02	99.97
Conversion price		No application	No application
Issue (handling) date and Conversion price at issue		Dete : September 21, 2022 Conversion price at issue : NT\$79	
F u l l f i l l m e n t o f conversion obligations		Issuance of new shares	

4.3. Preferred Stocks handling situation: None.

4.4. The situation of overseas depository receipts: None.

4.5. Employee stock option certificate and restrictions on employee rights:

(1) Employee stock options certificate of the company that has not expired: None.

- (2) The names, acquisitions and subscriptions of the top ten employees who have obtained the employee stock option certificate and the number of the top ten employees who can obtain the warrants:

Unit : Thousand Shares; NT\$ in Thousand

	Designation	Name	Number of shares acquired	The number of shares acquired to the total number of issued shares	Executed			The number of shares subscribed to the total number of issued shares	Not executed			
					Subscription Quantity	Subscription price (NT\$)	Subscription Amount		Subscription Quantity	Subscription Price	Subscription Amount	The number of shares acquired to the total number of issued shares
M a n a g e r s	CEO	Peng Shih Hao	961	64%	961	30	28,830	1.70%	—	—	—	—
	CFO	Janice Cheow										
	Senior manager	Lim Tau Boon										
	ACI Chairman	Peng Sheng Ching										
	ACI General Manager	Lai Chan Wai										
	ACI Manager	Roslan Arshad										
E m p l o y e e s	Staff	Tai Hong Wen (Note)	539	36%	539	30	16,170	0.95%	—	—	—	—
	Staff	Choon Chun Hong										
	Staff	Peng Yi Fen										
	Staff	Tai Fook Leong										
	Staff	Gan Lee Poh										
	Staff	Tee Hwee Yin										
	Staff	Kuek Lee Chin										
	Staff	Cheong Sit Lee										
	Staff	Choo Lee Hia										

	Staff	Tan Teck Siong										
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Note: Tai Hong Wen resigned on 2024/01/12 due to career plan

The accumulated balance of employee stock option certificates issued by the Company until the date of publication of the annual report has not exceeded 15% of the total number of issued shares.

(3) The situation of private equity employee stock option certificates in the last three years and up to the date of publication of the annual report: None.

4.6 Restricting the rights of employees to deal with new shares: None.

4.7 New shares issuance in connection with mergers and acquisitions : None.

4.8 Implementation of the fund utilization plan:

As of the quarter before the publication date of the annual report, the company had no issue or private placement of securities that had not yet been completed or had been completed and the benefits had not yet revealed.

5.0 Operational Overview

5.1 Business content

5.1.1 Business scope

(1) Main contents of the business

The company's main business is the research and development, production and sales of biochemical compound fertilizers (composite fertilizers in which organic matter, microorganisms and chemical raw materials are combined), followed by chemical fertilizers, and others are various microbial products and health foods. The main business products are used in oil palm, rubber and rice, and the main sales market is Malaysia.

(2) Business share

Unit : NT\$ in Thousand

Products \ Year	2022		2023	
	Net revenue	Operating Proportion	Net revenue	Operating Proportion
	Amount	Ratio (%)	Amount	Ratio (%)
Biochemical Compound Fertilizer	2,458,117	66.39	1,379,751	48.81
Chemical Fertilizer	952,595	25.73	1,052,338	37.23
Others	291,618	7.88	394,498	13.96
Total	3,702,330	100.00	2,826,587	100.00

(3) Current Commodity Items of The Company

Item	Description
Biochemical Compound Fertilizer	A 3-in-1 compound fertilizer of organic matter, microorganisms and chemical raw materials, mainly used in oil palm planting.
Chemical Fertilizer	A single or compound fertilizer composed of chemical elements such as nitrogen, phosphorus and potassium can provide nutrients necessary for plant growth and development, and maintain high crop yield.
Others	Health food, various microbial products, etc., and soil conditioner K-Neutralizer, etc.

(4) New Products Planned To Be Developed

The company focuses on the importance of soil and environmental protection, and actively develops multi-functional fertilizer products to replace the environmental damage caused by traditional chemical fertilizers. At present, the new products planned by the company are as follows:

Research Project	Main Technique	Application Note
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Research Project	Main Technique	Application Note
4 in 1 Phage Biofertilizer	The phage which can control the <i>R. solanacearum</i> is screened in the wastewater, and the phage preparation is produced by using the transgenic <i>Escherichia coli</i> as a host for producing the phage, and then added to the fertilizer.	It can be used for the control of bacterial crop diseases caused by <i>R. solanacearum</i> , and can be applied to a variety of peppers, tomatoes, ginger, potatoes and bananas which are often attacked by <i>R. solanacearum</i> .
Special nitrogen-fixing biological fertilizer for rice and green leafy vegetables	Three high-efficiency nitrogen-fixing bacteria were transferred from MARDI. After optimization of strain culture conditions and yield amplification, high-concentration bacterial liquid was produced and added to fertilizer to improve soil nitrogen fixation performance.	High-efficiency nitrogen-fixing bacteria promote the growth of rice and short-term crops, reduce the use of chemical nitrogen fertilizer, and also use in the early stage of oil palm seedling emergence.
4 in 1 anti-white root Disease	Endophytic <i>Trichoderma</i> was screened from the roots of healthy plants, and spores were optimized by culture to control diseases.	<i>Trichoderma viride</i> combines with other fertilizer ingredients to biologically control the common fungal disease of the rubber tree (<i>Rigidoporus lignosus</i>) and supplement its nutritional needs.
Oil palm by-product degradation	A variety of indigenous degrading bacteria are mixed and processed for various by-products of the palm oil mill, and the finished product is organic fertilizer.	The strain mixture is used to catalyze the degradation of oil palm empty fruit bunches and other organic raw materials, and to solve the excessive production of waste oil in the palm oil industry as organic fertilizer.
Value-added agricultural by-products	The addition of <i>Trichoderma</i> for different agricultural by-products produces a control agent for manufacturers/farmers in a more economical way, and also solves the problem of excess by-products. Different by-products and different <i>Trichoderma</i> products are paired with each other to debug a stable, suitable concentration and	Excessive agricultural by-products cost farmers/vendors excessive waste disposal fees. By-products that return to the field without proper treatment may cause pathogens to breed. The value-added agricultural by-products are designed to add beneficial bacteria to different raw materials, ensuring that the

Research Project	Main Technique	Application Note
	economical formula.	product has the function of controlling disease when recycled into the field. This program can be used in oil mills, vegetable orchards, flower beds, food processing plants, etc.
Disease resistant seedling inoculation	Inoculate disease-resistant Trichoderma for different crop seedlings. The use of Trichoderma species is adjusted according to the crop and medium.	From the nursery stage to the field, the seedlings are subjected to multiple inoculation and root sampling tests to ensure that the roots are attached with endophytic fungus, and that they have sufficient disease resistance to the disease when entering the harsh field. Currently apply in palm (anti-ganoderma disease) and rubber markets (anti-white root disease).

5.1.2 Industry Overview

(1) Current Status And Development Of Industry

A. Industry Status

Among the agricultural materials, the use of fertilizers is the largest. According to the production process, the fertilizers can be roughly divided into chemical fertilizers, organic fertilizers and biological fertilizers. Each of the fertilizers has its advantages and disadvantages, and it needs to be integrated to exert the advantages of the fertilizers, so as to achieve uniform development of the industry and complement each other.

Chemical fertilizers generally have direct and rapid effects, and are more competitive in price than biological fertilizers and organic fertilizers, so they are easily accepted and adopted by users. However, chemical fertilizers often cause over-application per unit area due to ease of use, resulting in weak resistance of plant, high acidic and deterioration of soil fertility, and high concentrations of nitrate in agricultural products. It is more difficult to estimate the environmental pollution caused by long-term or improper application of chemical fertilizers. At present, agricultural production uses organic fertilizers, microbial fertilizers and mineral

fertilizers to replace parts of chemical fertilizers, and the use of microbial fertilizers to promote the utilization efficiency of chemical fertilizers is a soil biotechnology that is currently worth of attention.

Organic fertilizers are made from the residues of animals, plants or microorganisms and their excreta. Although organic fertilizers often contain microorganisms in nature, they are naturally grown rather than artificially selected and cultured. It belongs to microbial fertilizer. If a specific artificially selected microorganism is added to the organic fertilizer, it may be referred to as an organic composite microbial fertilizer or a microbial composite organic fertilizer. The application advantage of organic fertilizer is that the effect is mild and less harmful to the soil, and the application is helpful to the ecological maintenance of the soil. Due to the volume is large, the application cost is high, and the production of compost requires a large area of land and plant equipment, which is time-consuming and labor-intensive. The production process needs to solve the odor and wastewater problems, and it is still necessary to avoid large or improper application.

Biological fertilizer refers to a specific preparation for cultivating active microorganisms or dormant spores, such as bacteria (including actinomycetes), fungi, algae, etc., and their metabolites, and is used in crop production to provide plant nutrients or promote nutrient utilization. Biological fertilizer has the advantages of low pollution, not harmful, low application rate and ecological friendly, but it has a certain shelf life, and the effect is more susceptible to environmental influences. The fertilizer efficiency is slower, sometimes it was applied together with chemical fertilizers and organic fertilizers. Through an effective management model, biological fertilizers can improve the availability of nutrients in the soil, improve soil properties, antagonize pathogens in soils or implants, reduce or replace chemical fertilizer application, and improve problems caused by excessive fertilization.

The global biofertilizer market has experienced significant growth and transformation in recent years and many manufacturing companies are launching different products to expand their product portfolio. According to the "Public Summary Medium-Term Fertilizer Outlook 2023-2037" published by FAO in June 2023, due to the Russia-Ukraine war, the demand and use of fertilizers in 2022-2023 was be more affected by the supply capacity of raw materials than the actual demand of crops. This situation will return to demand based as the supply of raw materials stabilizes. Based on 2022, it is estimated that global nitrogen fertilizer use will reach 115 million tons (9% growth), phosphate fertilizer use will reach 50.2 million tons (14% growth), and potassium fertilizer use will reach 40.6 million tons by 2027. (14% growth), the fertilizer market is expected to maintain a stable growth trend.

The use of chemicals on agricultural land not only results in large amounts of greenhouse gas emissions, but also leads to the deterioration and loss of healthy soil and the contamination of water resources, therefore, how to protect natural resources and promote sustainable agriculture while ensuring food supply has become the goal and consensus of United Nations members. As governments' requirements and attention to ESG are rapidly increasing, the use of biofertilizers has gradually received more attention and attention. The company has been focusing on research and development in the field of beneficial microorganisms for many years and has a rich database to help customizing and preparing multi-functional smart biochemical compound fertilizers according to the different soil and pest problems faced by each customer. The high-end agricultural science and technology patented technology it owns has become a competitive advantage that is hard for competition peers to cross the threshold, allowing the company to maintain its leading position in biochemical compound fertilizers in Malaysia.

B. Industry Development

(A) Malaysia

According to the Malaysian Bureau of Statistics, the total planting area in Malaysia is about 7.8 million hectares, the planting area has been slightly reduced due to preparation activities for replanting plans in recent years. The total oil palm planting area in 2023 is estimated to be 5.65 hectares, a decrease of 0.4% compared with 2022. West Malaysia is the largest oil palm planting area in Malaysia, accounting for 44.56% of the total planting area. Although affected by climate change and labor shortage, Malaysia's palm oil production in 2023 will still reach 18,551,950 metric tons, an increase of 0.5% compared with 2022. Imports decreased by 21.1% to 898,800 metric tons, domestic production increased by 0.5% compared with 2022, inventories rose 4.3% to 2.29 million metric tons. Although the growth rate of output has slowed down due to factors such as planting area, aging trees, climate, and fertilization, as the economy recovers steadily and palm oil prices have gradually decreased compared with 2022, palm oil consumption is expected to still grow steadily.

(B) China

Mainland China is the world's largest fertilizer user, but under large-scale application, organic fertilizers are insufficient, which leads to the destruction of soil fertility structure and low fertilizer utilization. The Chinese government has announced that chemical fertilizers will be gradually replaced, and the goal of reducing chemical fertilizers is to use a combination of microbial fertilizers and chemical fertilizers. During the "Thirteenth Five-Year Plan" period, various regions

accelerated the integrated promotion of green and efficient technology models for reducing the amount of chemical fertilizers and pesticides and increasing efficiency. The amount of chemical fertilizers and pesticides applied to crops has experienced negative growth for four consecutive years. At the same time, action to replace chemical fertilizers with organic fertilizers is taking place, and to promote the replacement of chemical pesticides with high-efficiency and low-risk pesticides. In 2021, the area of organic fertilizer application exceeded 606 million acres, and it is expected to increase by more than 5% by 2025. Under the guidance of policies, China's biofertilizer industry continues to develop rapidly and steadily. From 2014 to 2022, the microbial fertilizer market size increased by 14.14 billion yuan, with an average annual growth rate of 5.25%. In 2021, there are more than 2,900 microbial fertilizer companies in China, with an output value of approximately 40 billion yuan. Despite this, since microbial fertilizers account for only 10% of the total fertilizer consumption, there is still huge room for market growth.

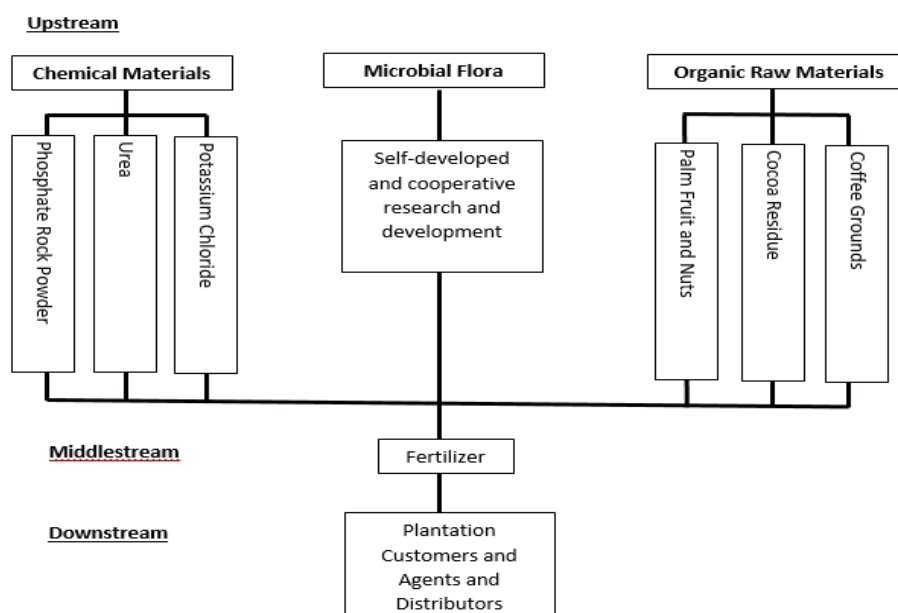
(C) Taiwan

Taiwan is located in a subtropical region, the high temperature and rainy climate makes the organic matter decompose rapidly. In addition, farmers usually use quick-acting chemical fertilizers and use less organic fertilizers that can improve soil organic matter, resulting in a general shortage of organic matter in farmland soil. The moderate application of organic fertilizers to supplement the organic matter of farmland soil can improve the utilization rate of fertilizers, and the necessary trace elements contained in organic fertilizers can promote plant growth, and beneficial microorganisms can improve the health of soil, in recent years, farmers in Taiwan have introduced more effective microorganisms in crop production, using microorganisms to promote production and improve soil. In order to cooperate with the new agricultural promotion plan, the Taiwan government promotes domestic organic and environmentally friendly farming. Since 2017, it has strengthened the promotion of organic fertilizers and added subsidies for microbial fertilizers and organic compound fertilizers, and further guided farmers to reduce the use of chemical fertilizers to promote domestic organic and friendly environmental development.

(2) Industrial Up stream, Middle And Downstream Relationship

The company is a professional fertilizer manufacturer, mainly producing compound fertilizers consisting of organic matter, microbes and chemical raw materials. The main raw materials of the products are nitrogen, phosphorus, potassium and other inorganic chemicals, organic raw materials and microbial strains. After the manufacturer processes, the finished products will deliver to downstream large-scale farms, dealers and farmers, the industrial relationship map is

as follows:



A. Upstream Raw Materials

(A) Chemical Fertilizer

Also known as inorganic fertilizers. Because the nutrient supply in the soil may not fully meet the growth needs of crops, in general, the use of chemical fertilizers will make up for the lack of nitrogen, phosphorus, and potassium in the soil. Nitrogen, phosphorus and potassium are naturally limited resources. With the increasing demand for food and crops caused by the growth of the world's population, the demand for chemical raw materials such as potassium chloride, urea, and potassium phosphate rock continues to increase.

Since 2021, due to factors such as rising natural gas prices, rebounding food prices, tight supply chains, as well as the impact of the Russia-Ukraine War in 2022, international fertilizer prices have continued to rise rapidly. The company has always adopted a risk-distributed procurement policy in purchasing raw materials, and contracts have been signed with suppliers to ensure the relative stability of material purchase costs and supply. Therefore, the company's main raw material sources for chemical fertilizers do not have operational risks arising from insufficient supply that would affect production.

(B) Organic Fertilizer

The organic fertilizer raw materials are mainly waste residues of coffee processing plants, cocoa processing plants, palm oil processing plants or other organic raw materials. Due to the rich agricultural resources in Malaysia, there are many organic raw material factories, and organic raw materials can still be substituted for each other, so there is no shortage of supply. In addition, Malaysia is

a major exporter of palm oil in the world, there is a large amount of waste residue after palm oil refining, which can also be used as a raw material for organic fertilizers. In the case of sufficient and diversified supply, the price fluctuation of organic raw materials has not been large for many years, and there is no operational risk caused by insufficient supply or major price changes.

(C) Microorganism

The fertilizer market in Malaysia is still dominated by chemical fertilizers, As microbial fertilizers are in the growth stage in Malaysia, more and more companies in Malaysia are beginning to invest in the microbial market. The main sources of microbial bacteria currently produced by the company are self-developed and cooperating with other academic or government organizations, such as the Malaysian University of Technology and the Malaysian Oil Palm Bureau (MPOB), the company has successfully developed and mass-produced microbial bacteria including nitrogen-fixing bacteria, nitrifying bacteria, phosphate-dissolving bacteria and yeast. Therefore, the microbiological sources required by the Company's products are not yet expose to the operational risks arising from insufficient supply or significant price changes.

B. Middle stream - Fertilizer Processing And Manufacturing

The Malaysian fertilizer manufacturing industry is a completely open market. In Malaysia, no biochemical compound fertilizer manufacturer is sufficient to monopolize the market. Therefore, the market price of biochemical compound fertilizer is determined by the market supply and demand mechanism. In recent years, with the increase in salary and the implementation of the Malaysian completion protection law, the manpower costs of fertilizer manufacturers have been rising, the gross profit has been compressed, and the price movements of inorganic chemicals such as nitrogen, phosphorus and potassium,, the appreciation of the US dollar exchange rate, and other factors will also affect the fertilizer manufacturing industry.

In recent years, the values of environmental protection and eco green industry have been advocated in the society, the environmental protection concept of farmers has continued to increase. In addition, the application of chemical fertilizers has caused the problem of soil deterioration becoming more serious, and the acidification of soil is not suitable for farming or the rapid decline of plant resistance has reduced farmer's income. As a result, farmers began to accept the concept of "developing sustainable agriculture" that decrease the use of pure chemical fertilizers in hope of maintaining ecological balance, reduces environmental pollution, and ultimately reduces production costs and energy consumption. Therefore, the market acceptance of the biochemical compound fertilizer produced by the company, which combines organic matter, microorganisms and chemical raw materials, is gradually increasing, and the revenue has shown a long-term growth trend

C. Downstream - Fertilizer User

The domestic fertilizer users in Malaysia are mainly government or privately owned landowners, farmers' associations and general farmers. The company has long-term cooperation with government-related investment companies, large private enterprises or professional oil palm plantation companies. According to the Malaysian Bureau of Statistics, agricultural-related activities accounts for 7.9% of Malaysia's GDP in 2021, while Malaysia and Indonesia are the world's major palm oil producers, so the downstream fertilizer market should not be significantly changed.

(3) Various Development Trends Of Products

Traditional fertilizers are mainly made up of organic fertilizers, which are made from animal, plant or microbial residues and their excreta. For example, dead leaves, grass ash, rice bran, leftovers, leftovers, bean cakes and oilseeds are all sources of fertilizer. With the advancement of technology, chemical fertilizers made from chemical substances have become the main products in the market. Chemical fertilizers have the advantages of quick effect and low price, and are used by consumers for a long time. However, with the long-term use of chemical fertilizers, the plant resistance is weakened, the soil acidification is degraded, the agricultural products contain high concentrations of nitrates, and the environmental pollution is more serious. Therefore, consumers gradually replace the unit fertilizer with multifunctional fertilizers. In addition to providing nutrients, increasing production capacity and yield, biochemical compound fertilizers have fertilizers that prevent pests and diseases. For example, the company developed Anti-Ganoderma Lucidum product fertilizer as therapeutic for oil palm disease.

(4) Competitive Situation

Due to the low entry barriers for the production and sale of chemical fertilizers, the fertilizers used in the market are still dominated by chemical fertilizers. However, with the promotion of the company and the increase in customer use, the multi-functional compound fertilizer is gradually accepted by more consumers. The fertilizer produced by the company is mainly composed of organic, micro-organisms and chemical substances. Currently, there are only few manufacturers having the similar products in Malaysia, hence less competition; The Company 's direction is to strive for making more chemical fertilizer consumers to switch to multi-functional fertilizers.

5.1.3 Technology and R&D Overview

(1) Company Technology and R&D Overview

The company continues to focus on research and development and is one of the few companies that have successfully used beneficial microbiota (EM) in organic and bio-fertilizers. Besides her own research achievements, the company has also worked

with other agencies such as the Malaysian Palm Oil Board and the Malaysian Rubber Board to develop effective microbial-based fertilizers. Follow by the MPOB F4 oil palm fertilizer being successfully produced, the GanoEF which specifically for prevention and treatment of *Ganoderma Lucidum* was developed.

The interaction between plants and microorganisms is an important issue in today's agricultural biotechnology. The company conducts research and product development for plant beneficial microorganisms, harmful microorganisms and nematodes on the basis of modern biology and the use of modern biotechnology. Beneficial microorganisms, such as the screening and application of growth-promoting bacteria, the improvement of the efficiency of phosphate-dissolving bacteria and nitrogen-fixing bacteria; the detection of harmful microorganisms, such as understanding the pathogenic mechanism of harmful microorganisms and increasing the resistance of plants themselves; Infection rules of important crops, screening and application of natural nematode resistance.

In order to enhance the understanding of the beneficial microbiota and to consider its potential and future development, the company established a research and development center in the Biotechnology Zone of the Malaysian University of Technology in Johor to develop and cultivate beneficial microorganisms. The company will also work with local and overseas companies to provide expertise and formulas to meet their demand. The company's research and development direction provides the development of microbial flora, biocontrol series, the production of single beneficial bacteria, the diversification of bacterial transport applications and field technical support.

The company has cooperated with the Malaysian University of Technology since 2009, and established the company's independent research and development team in 2011. The company now has mature facilities and skills, using the original ecological strain screening technology to separate, screen and preserve various bacteria. At present, more than 500 strains have been established. These strains can be accurately commercialized through identification tests and evaluation platforms for anti-antagonism, nutrient exchange, immune induction, and adversity protection for market positioning. In the fermentation production and cultivation of strains, we have developed quantification according to the growth characteristics and environmental requirements of each strain, optimized the fermentation production process, and cultivated a high concentration of bacterial liquid in a short time and cost savings.

The R&D team of the company often communicates with customers to understand the current needs of farmers and the problems to be solved in the field. For example, after the GanoEF product is launched into the market, the R&D team will go to different fields to collect sample the active substance of the roots and soil for laboratory quantitative tests. Test reports will be provided to the farmers, simultaneously

increase the diversity of research samples in order to make the tests more accurate. Some customers required to do experiment in their own field before selecting a product. the R&D team will work with the customer to formulate the experimental design, present the performance of the product scientifically, and improve the customer's trust and confidence towards to the product and company with perfect pre-sales and after-sales service.

The complete R&D and technical team can support the development of the company's products, from strain screening, preservation, optimization and quantification, productization, field trials, to customer after-sales service and other additional consulting services are the basis for the company's sustainable development. The R&D team established by the company can support the operation of microbial screening to production, and can also separate and purify the strains of soil, roots, fertilizers, etc. The company established a set of automated 5-50-500L fermentation tanks in 2015; this equipment platform can support more accurate quantitative production processes, develop culture parameters for the mass production needs of different strains, shorten fermentation time, reduce energy consumption and increase the concentration of bacteria, thus reducing production costs.

(2) Research Development Situation

The company always has great interest for research and development. Besides conducting new product research and development, it has also continuously improve the existing products and process adjustments to enhance the production efficiency and quality. The research results are as follows:

Year	Product Name	Product Usage
2008	MPOB F4 (Biochemical Compound Fertilizer)	➤ ACI was jointly developed with the Malaysian Oil Palm Board (MPOB). ➤ Specially used to increase the production of oil palm trees. ➤ Ingredients: ✧ Chemical nutrients: chemical nutrients such as nitrogen, phosphorus, potassium, magnesium, boron and some trace elements. ✧ Microorganisms: 8 microbial populations that promote the absorption of chemical fertilizers such as NPK and transform soil conditions. ✧ Organic matter: Improve soil acidity and alkalinity, increase chemical fertilizer utilization, increase soil fertility and water retention.
2012	GANO EF Disease-resistant fertilizer	➤ ACI and the Malaysian Oil Palm Board (MPOB) jointly developed. ➤ Ingredients: ✧ Chemical nutrients: a variety of chemical components and the addition of micronutrients to provide efficient growth and optimum yield of plants. ✧ Organic substances: improve soil acidity and alkalinity, increase chemical fertilizer utilization, increase soil fertility and water retention. ✧ Effective microbial population: Improve soil biological microbial species, fix plant nitrogen nutrition, and promote phosphate fertilizer dissolution. ✧ Composite active agents: Hendersonia (endophytic fungi) and chitin, a Ganoderma lucidum biocontrol agent and plant protection inducer to help control and prevent the spread of oil palm Ganoderma lucidum.
2013	Asacan Water Soluble Granular Fertilizer	➤ ACI's fertilizer products developed for the water soluble fertilizer market. ➤ Low-temperature compaction technology, which does not require granular fertilizers made of adhesive components, so it can be formulated with high NPK ratio products. ➤ Energy-saving production systems reduce costs, price is popular, and farmers are more economical. ➤ A variety of customized formulations. (NPK + trace elements or ASACAN NK + magnesium oxide)
2014	MPB15-5-14 Pepper special fertilizer	➤ Pepper special fertilizer jointly developed by ACI and Malaysian Pepper Board. (MPB) ➤ Three-in-one compound fertilizer provides the best nutrients for pepper trees, combined with beneficial bacteria and high quality organic matter.

Year	Product Name	Product Usage
2014	MPOB F4 Premium	➤ ACI was jointly developed with the Malaysian Oil Palm Board (MPOB). ➤ Formulated specifically to increase the production of oil palm trees, developed for palm planting in Sarawak, East Malaysia. ➤ MPOB F4 formula is added to Azomite, a mineral powder containing A~Z trace elements, which gives the plant a perfect growth element. ➤ Suitable for high rainfall climate use.
2015	Tricho Acti Plus Trichoderma	➤ Life control products containing endophytic fungus ➤ According to the bacteria selected by the customer, it can be divided into wet table powder and organic medium. ➤ Effective control of fungal diseases. ➤ Suitable for palm, rubber, banana and other crops. ➤ Product content can be adjusted according to price.
2016	Value-added agricultural by-products (palm oil industry)	➤ Development of value-added technology for by-products of non-empty fruit bunches. ➤ Convertible pomace is a low-cost soil improver, fertilizer and biocontrol agent. ➤ Better utilization of by-products of the farm and oil mills. ➤ Customized addition of different functional bacteria, such as nutrient supply or biological control. ➤ Add in Trichoderma to fight Ganoderma lucidum.
2017	MARDI F1	➤ ACI is jointly developed with the Malaysian Agricultural Research and Development Agency (MARDI). ➤ Special nitrogen-fixing biological fertilizer for rice and green leafy vegetables.
	K Neutralizer	➤ Develop soil conditions using German technology to effectively increase soil pH and supplement K₂O and TE nutrients. ➤ Suitable for palm, rubber, banana and other crops.
2018	DUR 13-3-21	➤ Fruit king durian launched with the technology of biological compound fertilizer with application of potassium sulfate. ➤ Specially used for the fruit period, which can greatly improve the quality of the fruit and protect soil oil acidification caused by excessive potassium sulfate and decrease disease.
2019	DIEBACK BUSTER	➤ Co-developed by ACI and MARDI. ➤ Use beneficial microorganisms to induce plant roots to produce plant hormones, activate the disease-resistant immune system, and enable plants to acquire or increase resistance to pathogens. Spray a certain concentration of biological inducer on the planted soil to effectively improve the resistance of papaya to disease.

Year	Product Name	Product Usage
	N-Bio Booster	➤ Co-developed by ACI and MARDI. ➤ The nitrogen-fixing bio-fertilizer specially used for rice and green leafy vegetables, can increase the nitrogen element in the soil and make the crop healthier. Through 3 years of experiments, the output can be increased by more than 12%. Relative diseases are also reduced.
2020	Microfert	➤ Microfert series products contain trace elements and nutrient microorganisms, which are compost products developed according to market needs, mainly used in short-term crops and fruit planting
	Microfert Pro	➤ In addition to containing microfert trace elements and vegetative microorganisms, microfert pro version additionally adds Trichoderma to help prevent pests and diseases
2022	Cal Mag Pro	➤ Liquid/foliar fertilizer to promote vegetative growth of cash crops and fruit trees
	PK Mix Plus	➤ Liquid/foliar fertilizer to promote vegetative growth of cash crops and fruit trees
	Calzine PRO	➤ A liquid/foliar fertilizer high in calcium and low in nitrogen that promotes fruit set and prevents fruit trees like durian from cracking
	Plant Growth Promoting Rhizobacteria (PGPR)	➤ Plant growth-promoting beneficial bacteria that live in symbiosis with plants. These bacteria can form a symbiotic relationship with plant roots and promote plant growth and health through multiple mechanisms

(3) Research And Development Personnel And Their Academic Experience

Unit : Headcount ; %

Year	2022	2023	As of March 31, 2024
Education Qualification			
Master's Degree and above	5	5	5
College	6	8	8
High School And Below	-	-	-
Total	11	13	13
Numbers of Company Employee	488	543	548
Percentage of the Company Employee (%)	2.25	2.39	2.37

(4) R&D Expenses Invested In The Past Five Years

Unit: NT\$ in Thousand

Year	2019	2020	2021	2022	2023
Item					
Research Development Costs	4,655	2,541	3,851	2,277	3,731
Operating Income	1,767,699	1,642,783	2,197,323	3,702,330	2,826,587
Proportion Of Revenue (%)	0.26	0.15	0.18	0.06	0.13

(5) Successfully Developed Technology Or Products In The Past Five Years

Year	Product Name	Product Usage
2015	Tricho Acti Plus	➤ Life control products containing endophytic fungus ➤ According to the bacteria selected by the customer, it can be divided into wettable powder and organic medium. ➤ Effective control of fungal diseases. ➤ Suitable for palm, rubber, banana and other crops. ➤ Product content can be adjusted according to price.
2016	Value-added agricultural by-products (palm oil industry)	➤ Development of value-added technology for by-products of non-empty fruit bunches. ➤ Convertible pomace is a low-cost soil improver, fertilizer and biocontrol agent. ➤ Better utilization of by-products of the farm and oil mills. ➤ Customized addition of different functional bacteria, such as nutrient supply or biological control. ➤ Add in Trichoderma to fight Ganoderma lucidum.
2017	MARDI F1	➤ ACI is jointly developed with the Malaysian Agricultural Research and Development Agency (MARDI). ➤ Special nitrogen-fixing biological fertilizer for rice and green leafy vegetables.
	K-NEUTRALIZER	➤ Designed to improve and regulate acid soil problems. ➤ Rapidly improve nutrient absorption rate effectively. ➤ Increase soil activity and soil organic content. ➤ Improved soil also supplies nitrogen, potassium, sulfur and other elements to improve the color, fragrance, taste, and quality of crops. ➤ K Compared with traditional regulators, K-Neutralizer is more effective and lasting. The experimental results maintain the soil pH at around 6 for 9 months to a year.
2018	DUR 13-3-21	➤ Fruit king durian launched with the technology of biological compound fertilizer with application of potassium sulfate. ➤ Specially used for the fruit period, which can greatly improve the quality of the fruit and protect soil oil acidification caused by excessive potassium sulfate and decrease disease.
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	Plant Growth Promoting Rhizobacteria (PGPR)	➤ Plant growth-promoting beneficial bacteria that live in symbiosis with plants. These bacteria can form a symbiotic relationship with plant roots and promote plant growth and health through multiple mechanisms

5.1.4 Long-Term And Short-Term Business Development Plans

(1) Short-Term Business Development Plans

A. Marketing Strategy

(A) Expanding The Mainstream Market

The main products of the company are biochemical compound fertilizers, and most of our main customers in the Malaysian local market are large plantations. While consolidating customer relationships with large plantations, we plan to further develop private plantations, continue to improve product visibility, and assist local farmers in Improve crop yields while improving the soil environment.

(B) Deep Market Strategy

Through briefing sessions, the company will continue to educate agricultural technicians and use advertising marketing to expand sales channels to open up local markets and attract medium and large-scale planting companies, state-owned agricultural companies and distributors.

(C) Increase Brand Awareness And Market Share In Overseas Markets

The company plans to establish cooperative distribution bases in various ASEAN countries, and quickly and effectively expand the market through the cooperation of agents and building factory. For example:

a. In the Indonesian market, the new Indonesian factory will be officially opened in 2024, and the company will be able to compete for local plantation bids in Indonesia. The company will also hold a product use briefing session in the first-line rural areas, and continue to educate the use of agricultural technicians and fertilizer knowledge.

b. In the Vietnamese market, the company will use advertising marketing to continue to expand sales channels.

B. Research direction

Through market research, the company is committed to developing functional, environmentally friendly customized products to provide better quality and cost saving to customers. It is also planned to continue to develop sophisticated market demand through efficient R&D management, and to enhance R&D technology and microbial bacteria libraries from marketing, R&D, production testing and other products to produce products that meet market needs.

C. Production Strategy

The company plans to establish production bases in ASEAN countries, such as Indonesia, etc., to quickly and effectively expand the market through the cooperation of agents in ASEAN countries.

(2) Company Long-Term Plan

A. Marketing strategy

(A) Expanding overseas markets

The company will penetrate the Asian market with strong foundation in Malaysia (such as Indonesia, Vietnam, Thailand, Taiwan, Cambodia, Laos, Myanmar, Philippines, South Korea and Japan), finally, enter the Middle East and European markets, and fully expand the market share of products.

(B) Developed as the No. 1 brand in Asia

At present, the company operates under the brand name “RealStrong” in Malaysia. Through high-quality services, products and talent cultivation, shape the image and popularity of the company and products, with a view to developing into the No. 1 brand in Asia and stabilizing the foundation for sustainable operation.

B. Research direction

The company continues to develop products for overseas market demand and cooperates with overseas universities to develop education. According to different regions and different climates, soils, plants and other specific products, products with functions such as pest resistance and environmental protection are introduced to

increase customers' willingness to purchase and reduce Purchase cost. In addition, under the concept of sustainable agriculture, the company continued to develop projects for the use and recycling of agricultural by-products, and practiced environmental protection while reducing the cost of waste disposal for the agricultural industry. Microbial application platforms can develop different high-end cultivation materials, such as inoculation of disease-resistant strains for seedlings, which can reduce the disease resistance of plants, and then add company products to bring better disease resistance and yield increase.

C. Production strategy

In order to provide localized products and save transportation costs, the company will build factories in various sales regions to provide local consumers with nearby demand.

5.2 Overview of Market, Production and Sales

5.2.1 Market Analysis

(1) Sales Area Of Major Commodities

Unit: NT\$ in Thousand

Year Region	2021		2022		2023	
	Amount	%	Amount	%	Amount	%
Domestic Sales	2,082,482	94.77	3,660,096	98.86	2,795,252	98.89
Export	114,841	5.23	42,234	1.14	31,335	1.11
Total	2,197,323	100.00	3,702,330	100.00	2,826,587	100.00

Note: Domestic sales refer to sales in Malaysia, Indonesia and Taiwan, and the rest of the regions such as Vietnam, Singapore and the Philippines are exported.

(2) Market share

The fertilizer market in Malaysia is still dominated by chemical fertilizers. Since Malaysia does not produce or exploit minerals such as nitrogen, phosphorus, and potassium in large quantities, chemical fertilizers and their raw materials mainly rely on imports. Currently, biochemical compound fertilizer manufacturers are still a minority in Malaysia. Therefore, the company's products have sales advantages in the local market and also have development potential. According to Statista statistics, the total fertilizer market output in Malaysia in 2023 is about 5.91 million tons, while the company's annual production volume in 2023 is 162,000 tons, so the share of the total fertilizer market in Malaysia is 2.74%.

(3) Market Supply And Demand Situation And Growth In The Future

A. Global population growth pushes up overall demand

The global fertilizer market is closely related to food demand. As the global population continues to grow, it will push up global food demand and crop prices. With limited global arable land, increasing unit production has become the most urgent way for countries to solve food problems. In addition to the use of various fertilizers to increase unit yield and improve production efficiency, fertilizers with low cost and versatility are more acceptable to consumers.

According to the Food and Agriculture Organization of the United Nations' "Global Food Market Report for the Second Half of 2023", the global food production system remains vulnerable to risks arising from extreme weather events, rising geopolitical tensions and policy changes, it is possible to upset the fragile balance of supply and

demand and weaken prospects for international food commodity trade and global food security. Since fertilizer is still an indispensable input in agricultural cultivation, the application of high-efficiency and low-cost fertilizer will become a major trend.

B. High-performance, low-application, low-toxic compound fertilizer trend

In the case of continuous population growth and limited arable land, the application of higher-efficiency and low-cost fertilizers is the main development trend. It is different from the large-scale application of general chemical fertilizers in the past. The current market demand is toward organic, micro-organisms with multifunctional and chemical compound fertilizer. Meaning, under the principle of reducing the use of chemical fertilizers and reducing the toxicity to the soil, appropriate compound fertilizer products are developed for the growth patterns and nutritional needs of different plants.

(4) Competitive Niche

A. Key Technology Threshold

Through the combination of chemical substances, organic fertilizers and microorganisms, the company has successfully developed biochemical compound fertilizers. By combining inorganic and organic to enhance soil pH and increase crop nutrient absorption, the company has improved its culture. Equipment and key patented technologies, the key beneficial microorganisms that are extracted and cultured from the soil, is to stabilize nitrogen in the air and soil, also contribute to the decomposition of phosphorus, acid, salt, potassium and organic matter, to allow plants to absorb directly, thereby increasing the fertilizers application, as well as the yield of crops compared with chemical fertilizers. The microbial flora can also enhance the immunity of crops against disease, make crops premature, antifreeze and increase water retention and drought resistance.

At present, the general compound fertilizers on the market are still dominated by chemical fertilizers. A few fertilizer manufacturers also produce chemical organic compound fertilizers. However, the production methods are to mix organic fertilizers with separately purchased chemical fertilizers to let the fertilizer contains organic and microbial components. This method of production is easy to cause microbial death. Therefore, how to combine chemical fertilizers, organic fertilizers and microbial fertilizers into appropriate configurations has become the threshold for entry into the industry. The company has been researched for many years. Stabilization technology can

effectively combine microorganisms with chemicals to successfully produce commercialized fertilizers.

Furthermore, even if the microbial death caused by chemical fertilizers is overcome, the oil palms need at least 2-3 years from plant, and when new products are to be introduced into the market, they must be planted in two rounds, with at least 5- 6 years of product testing. If successful, there are opportunities to win customers' willingness to adopt. The key technologies used by the company effectively combine chemical fertilizers, organic fertilizers and microbial fertilizers, and effectively prevent the contact of microorganisms and chemical fertilizers, so that microorganisms are not easily damaged, and the benefits of fertilizers are effectively maximized, so the key technology entry threshold is the company. An important competitive niche.

B. Product efficacy extends to pest control

Over the years, Malaysian oil palm tree has been seriously affected by ganoderma disease. *Ganoderma lucidum* is caused by *Ganoderma* fungus. The disease occurs at the base of the stem of the tree, so it is also called Basal Stem Rot. The infection rate of oil palm plantation About 20%, during the period of 10-12 years after planting the seedlings, it will lead to a significant reduction in production of more than 80%, which is a fatal disease of oil palm trees. In the early stage of *Ganoderma lucidum*, there are 1-3 pieces of *Ganoderma lucidum* fruit body in the stem base of the tree. The body shape is generally less than 3 cubic centimeters. The leaves are not drooping and dry, and the tree base condition is still hard. However, the plant vascular bundle is damaged and cannot be recovered. The *Ganoderma lucidum* fruiting body increased by 3-10 pieces, the leaves began to turn yellow and showed slight sagging, the tree body tissue began to soften, part of the *Ganoderma lucidum* body matured, the amount of the tree body became less and the fruit pieces became smaller; in the end stage, the *Ganoderma lucidum* fruiting body increased to more than 10 pieces, the body is hypertrophy, spread around the roots of the tree, the base of the stem can be easily excavated by sharp objects, the tree has no result, and the plant will be declared dead. According to statistics from the Federal Land Development Authority of Malaysia, ganoderma disease is happening in Malaysia annually. The damage is up to tens of billions of Taiwan dollars, which seriously jeopardizes the economic growth of the oil palm industry.

In order to effectively solve the harm of *Ganoderma lucidum* to oil palm trees, the company and the Malaysian Oil Palm Bureau have successfully developed *Hendsonia*, an endophytic fungus that controls *Ganoderma lucidum* in 2012, and launched a four-in-one

biochemical compound fertilizer containing endophytic fungi. And can reduce the incidence of 70% of Ganoderma lucidum disease. By successfully developing the control effect of Ganoderma lucidum disease, the company has extended the fertilizer to the field of pest control, and is far ahead of other competitors. The company will continue to strive to prevent pests and diseases in the future. In order to be ahead from competitors, the company's products will partially replace the farmers' demand for pesticides and increase the added value of fertilizer use.

C. Safe and reliable brand reputation

The fertilizer product is directly used in the soil, and the crop system absorbs the nutrients and elements in the soil through the roots. However, the fertilizer is not completely absorbed by the crop, and there are still residual substances in the soil, so it can improve the soil pH value and improve the crop. In addition to the effects of yield and quality, the impact of residues of fertilizer products on crops and the environment cannot be ignored. In an industry that needs to strengthen product safety, technical support and goodwill, a safe and reliable brand image is very important. The company understands the cost and product efficiency of farmers, prefers fertilizers certified by government units or recommended by the government, and once farmers are accustomed to using a certain product, in order to ensure the stability of their crops, it is not easy to replace other brands. Due to the habits of use, the company has been striving to develop R&D for many years, continuously improving product quality, and has been certified by government agencies. With the brand name “Real Strong”, the company actively expands her product sales market and carefully tests the soil conditions of the area in line with local needs. The right formula has obtained high added value in every link of the industrial chain. After years of hard work, the company has established a good reputation in the industry, providing farmers with stable product quality, sincere after-sales service and good technical support. Reliable products to increase farmers' brand loyalty.

D. Steady layout of production base and actively develop sales network

The company actively explores the sales market, based on Malaysia's stable layout, gradually sets up production bases, and actively establishes distribution networks in various places. The company plans to extend her products to the world. Her clients include government-to-investment companies and large private enterprises. Farmers' associations, regional distributors and end users-farmers. In the expansion of the market strategy, through the sales pipeline established after careful evaluation, the newly developed areas mainly through dealers, and hold public welfare briefings, to help and

teach farmers in various areas to improve soil, and improve production and quality, to brand the concept enters the pipeline to enhance the local farmers' understanding and acceptance of the company's brand; for the infiltrated areas, through the group subsidiaries or local agents, directly to the terminal market, and actively participate in the promotion activities, regularly send people to teach, educate and assist farmers in various districts to improve soil yield and quality, and set up experimental manor in each district to provide fertilizer for farmers to test and compare, and strengthen farmers' loyalty to the company's brand products. In addition, the company also provides market and technical support services, and is committed to providing growers with the highest quality products and after-sales service, providing comprehensive solutions and technical consultation, in order to achieve product awareness and brand recognition.



E. Cost advantage

Since the traders import raw materials from abroad to Malaysia for sale, the raw material prices will be higher. The company has business relationships with the major potassium chloride producers since 2013 and is directly trading with Chinese urea producers for another major raw material urea to reduce the cost of raw materials and make the company's product prices more competitive. In 2022, affected by the Russia-Ukraine War, not only the price of raw materials fluctuated violently, but also the shortage of raw materials and the shortage of many manufacturers. In addition to the original suppliers, the company further signed agency contracts with raw material suppliers to ensure resource and cost advantage.

(5) Advantages, Disadvantages and Countermeasures of Developing Prospects

A. Favorable factors

(A) Increased demand for plant fertilizers in the global foraging crisis

Global food demand is increasing due to population growth and economic development, but arable land for crops is difficult to increase due to the rise of environmental awareness, , but some areas will also be affected by desertification, resulting in a reduction in cultivated area.

Therefore, under the trend of increasing demand for crops and reducing the area of arable land, the method of increasing crop yield is to adopt measures to strengthen crop resistance and increase crop yield. For example, increase the amount of biochemical compound fertilizer and prevent insects through root protection. Or the damage of crops such as germs, on the other hand, the bio-based compound fertilizer provides plant root nutrients, so that crops can obtain various nutrients and increase the output per unit area. The aforementioned measures to increase crop yields will also drive the development of the overall crop biochemical compound fertilizer industry and expand the overall market size, which will be positive for the sales growth of All Cosmos's future business.

(B) Technical advantage

Various functional microorganisms can be mixed with each other, but when using mixed strains, it is necessary to consider the competition or the synergy between the strains to exert their positive effects. The company uses organic matter as a carrier of microorganisms, so that after the fermentation of the same organic matter is completed, the survival rate and effectiveness are improved through the compatibility test of the microorganism carrier.

In the fertilizer process, in addition to factors such as production cost of bacteria, mixed strains, and carrier stability, it is also necessary to add anti-antagonism test and survival test after adding stable carrier to ensure the affinity and timeliness of microbial flora and survivability. The company has developed and applied for a bio-stabilized fertilizer technology (A Bio-stabilized Fertilizer and a Method for Producing) patent, to effectively combine microorganisms with chemical fertilizers, organic matter, and block microorganisms and chemicals' direct contact of fertilizers to avoid damages to microorganisms to ensure the effectiveness of microorganisms, thereby taking advantage of the technology to expand the company's development in the biochemical fertilizer industry.

(C) Maintaining good relations with Malaysian government agencies and academic

institutions

Over the years, the company has carried out many cooperation and exchanges with professional institutions such as the Malaysian Oil Palm Bureau, the Academy of Agricultural Sciences and the National University of Technology, and has maintained good cooperative relations for a long time. In addition, the company was appointed by the Ministry of Science, Technology and Innovation (MOSTI) of the Federal Government of Malaysia in 2011 as a consultant for high-tech green agriculture. The Prime Minister of Malaysia personally leads the research and development, innovation and environmental protection as its main purpose and implementation strategy. Its members are only 10 companies. The company is the only private company. As the fertilizer industry is an industry that attaches great importance to product safety, technical support and goodwill, the fertilizer products developed in cooperation with academic institutions or certified by government agencies are more trusted and favored by farmers, so they cooperate well with government agencies and academic institutions. Relationships have positive benefits for the company.

B. Unfavorable factors

- (A) The main raw materials depend on imports and are vulnerable to shortage of international raw materials or price increases.

The company's main chemical raw materials such as urea, phosphate fertilizer and potash fertilizer rely on imports. If there is a shortage of international raw materials or price increases, the company may be adversely affected.

Response measures:

The company keeps abreast of market information. In order to fully grasp the source of supply, there are more than two suppliers of main raw materials, and maintain a good and stable cooperative relationship. A reasonable safety stock is prepared for the raw materials, and the sales price of the downstream is moderately adjusted when the price fluctuates. In addition, we sign agency contracts with raw material manufacturers to ensure stable supply and prices

- (B) Risk of sales concentration

Oil palm is the main cash crop in Malaysia. Therefore, the government attaches great importance to the development of oil palm industry. It has a number of related institutions and investment companies. Oil palm enterprises need to have the processing capacity of palm oil processing, transportation and storage and sales.

Therefore, Malaysian oil palm industry is mainly based on public and large-scale enterprises, which is the case where the company has sales of goods concentrated in large enterprises.

Response strategy:

In addition to its commitment to maintain relationships with her customers, the company regularly assigns technical personnel or sales personnel to the customer's field to observe the use of fertilizers, and to produce research reports on its processes and achievements, to stabilize existing customers and actively expand new customers. The use of the company's products by well-known large enterprises, establishes a brand image, and drives more farmers to buy and use, in order to reduce the risk of sales concentration.

5.2.2 Important use of the main products and production process

(1) Important uses of major products

Fertilizers can be roughly classified into chemical fertilizers, organic fertilizers and biological fertilizers according to the raw material categories. Various fertilizers have their own advantages and disadvantages. Chemical fertilizers have fast effects, but they are easy to cause environmental pollution and destroy soil structure. Organic fertilizers can change soil properties and increase nutrient, but large in volume and high in application cost; biological fertilizer is applied in small amount and low in cost, but it must be used in combination with other fertilizers. Here are the advantages and disadvantages listed below:

Fertilizer category	Advantages	Disadvantages
Biological fertilizer	No pollution problem	Non-fast-acting needs to be combined with organic or chemical fertilizers
	Not harmful	Have a certain and shelf life
	Less application	Vulnerable to environmental impact
	Lower production costs	Need to apply to the root circle to be easy to express
Chemical fertilizer	Rapid fertilizer efficiency	Contaminated environment
	Easy to adjust fertilizer ratio	Improper use is easy to have a fat injury
	Supply sufficient nutrients	Improper use of soil degradation, acid
	Less application	Production consumes a lot of energy
Organic fertilizer	Good soil improvement	Large volume and weight, high application cost

	Utility mitigation	Composting production has pollution problems
	Less harmful	Production of compost takes time, labor, and land consumption
	Wide applicability	Improper organic matter is prone to pests and diseases

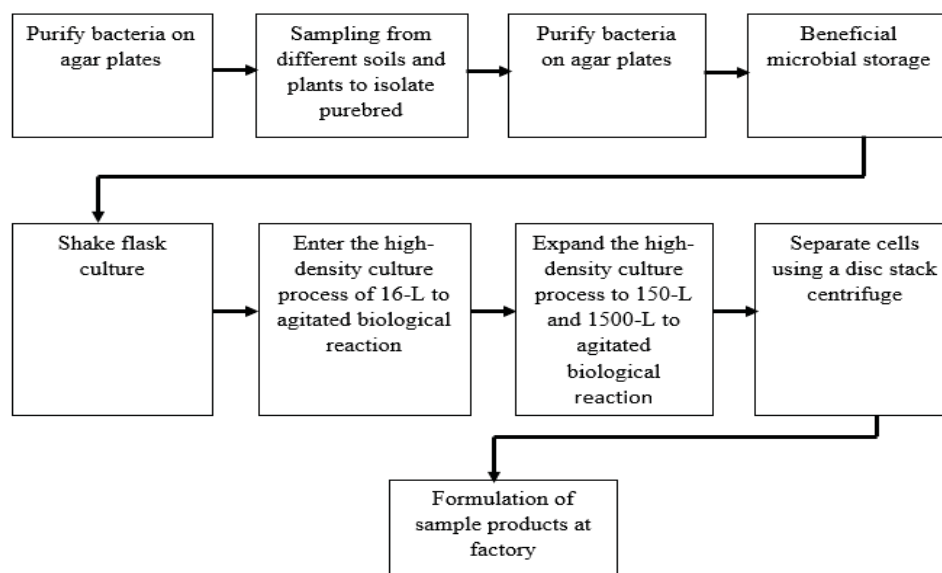
Source: Taiwan Agricultural Biotechnology Industry Quarterly

Because fertilizer is a popular material, it is a relatively traditional industry, hence, it is very competitive especially with many large-scale chemical fertilizer plants in the market. Therefore, the company's main products are biochemical compound fertilizers that combine organic matter, beneficial micro-organisms and chemical raw materials. Its products mainly combine the advantages of each unit of fertilizer, improve the efficiency and effect of crop nutrient absorption, promote the growth of crop roots, enhance soil nutrients and improve water retention capacity, and clearly distinguish it from the chemical fertilizers that account for the majority of the market.

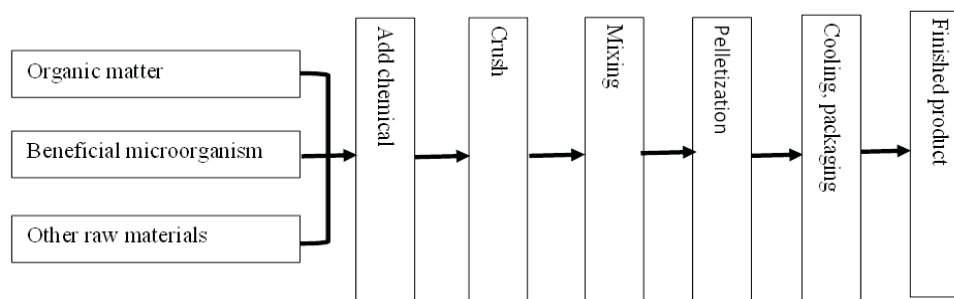
(2) Production process of major products

The company's 3-in-1 biochemical compound fertilizer is mainly composed of chemical fertilizer, organic fertilizer and microbial fertilizer. According to the theory of nitrogen balance and soil health, it is compounded by techniques such as bio-high nitrogen source fermentation technology and comprehensive extrusion granulation. It can be mainly divided into beneficial microbial culture process and three-in-one biochemical fertilizer production process:

A. Beneficial microbial culture process



B. Biochemical fertilizer production process



5.2.3 Supply status of major raw materials

The company's main raw materials are chemical raw materials such as urea, potassium chloride and phosphate rock. The company maintains a good and stable cooperative relationship with major raw material suppliers. In order to fully grasping the source of supply, it strictly controls quality and delivery. To ensure the supply of major raw materials is flawless. There was no supply shortage or interruption in the last three years and the application year, and the supply was stable.

5.2.4 Explanation of major changes in gross profit margin of major products or sectors in the last two years

Unit: NT\$ in Thousand

Item \ Year	2022	2023
Operating Income	3,702,330	2,826,587
Operating Gross Profit	1,137,576	587,979
Gross Profit Margin	30.73%	20.80%
Gross Rate Of Change	13.60%	-32.30%

The company's gross profit margin in 2023 will change to -32.30%, the main reason is that the strong performance of revenue and profit in 2022 is affected by the Russia-Ukraine war and the overall economic environment. Raw materials and fertilizers are both at high prices and out of stock. With the overall market performance returning to stability in 2023, fertilizer prices will also decrease along with the decline in raw material prices. Under this circumstance, many fertilizer manufacturers with a large amount of high-priced inventory lowered their sales prices to reduce losses. The company's fertilizer sales business is mainly based on large-scale bidding, and the inventory is prepared according to expected orders. To maintain stable profits, the company choose not to follow up on orders to avoid reducing profits or causing losses. Taking into account the impact of the general environment and price adjustments, the company's gross profit in 2023 is NT\$587,979,000.

5.2.5 List of major customers and suppliers

- (1) The name of the supplier who had accounted for more than 10% of the total purchase amount in any of the previous two years and the amount and proportion of the purchase amount

Unit: NT\$ in Thousand;%

Item	2022				2023				March 31, 2024			
	Name	Amount	Net annual purchase of goods (%)	Relationship	Name	Amount	Net annual purchase of goods (%)	Relationship	Name	Amount	Net annual purchase of goods (%)	Relationship
1	TOP TRADING LIMITED (TOP TRADING)	561,544	21.71	None	EURONCHEM TRADING MIDDLE EAST DMCC (EUROCHEM)	365,399	24.11	None	LIANYUNGANG HONEST CHEMICAL CO., LTD (簡稱 LIANYUNGANG)	58,272	20.84	None
2	CORRIGO FERTILIZERS FZ-LLC (CORRIGO)	356,085	13.77		CORRIGO FERTILIZERS FZ-LLC (CORRIGO)	362,425	23.92	None	EURONCHEM TRADING MIDDLE EAST DMCC (EUROCHEM)	45,118	16.14	None
	Others	1,669,189	64.52	None	Others	787,576	51.97	None	Others	176,229	63.02	None
	Net purchase	2,586,818	100.00		Net purchase	1,515,400	100.00		Net purchase	279,619	100.00	

The company is mainly engaged in the production and sales of biochemical composite fertilizers. The main raw materials of the products are urea, phosphate rock, potassium chloride, borax, ammonium phosphate, ammonium chloride, dolomite powder and organic matter (cocoa shell residue, coffee grounds or oil palm slag) and etc. Due to raw materials such as urea, potassium chloride and phosphate rock are natural resources, only a few countries such as China, Arabia, Iran, Russia, Egypt and India have a large amount of reserves for mining, so the company avoids shortage of raw materials and reduces The impact of major changes in purchase prices, with supply contracts with major purchase suppliers for long-term cooperation to reduce risk.

Supplier changes are mainly affected by fluctuations in the performance of the company and are also affected by fluctuations in the unit price of raw materials. To ensure source stability and avoid price fluctuation, the company's supplier of chemical raw material potassium chloride include Belarusian manufacturer EUROCHEM、TOP TRADING、CORRIGO and local fertilizer importer HAPSENG. Others such as LIANYUNGANG、

BARLEY · RAWCHEM · HARVEST ZONE · AUTTTER and GULF are mainly engaged in the trading and marketing of unit chemical fertilizers, chemical raw materials and pesticides. The company will also purchase goods from local suppliers with competitive prices.

(2) The name of the customer who had accounted for more than 10% of the total sales in any of the previous two years and the amount and proportion of the sales

Unit: NT\$ in Thousand;%

	2022				2023				March 31, 2024			
Item	Name	Amount	Net annual sales of goods (%)	Relationship	Name	Amount	Net annual sales of goods (%)	Relationship	Name	Amount	Net annual sales of goods (%)	Relationship
1	RISDA VENTURES SDN BHD(RVSB)	515,754	13.93	None	RISDA VENTURES SDN BHD (RVSB)	387,980	13.73	Note 1	SABAH SOFTWOODS BERHAD (SSB)	92,789	17.75	Note 1
2	SABAH SOFTWOODS BERHAD (SSB)	417,924	11.29	Note 1	-	-	-	-	APD PHARMA SDN BHD (APD)	70,344	13.45	-
	Others	2,768,652	74.78		Others	2,438,707	86.27		Others	359,741	68.80	
	Net Sales	3,702,330	100.00		Net Sales	2,826,687	100.00		Net Sales	522,874	100.00	

Note 1: SSB holds a 45% stake in SSHF and is a substantial shareholder of the subsidiary.

The Company is principally engaged in the production and sales of biochemical composite fertilizers. The current sales area is South East Asia and Mainland China, and the main sales market is Malaysia. Sales customers are mainly state-owned enterprises, companies or individuals in oil palm planting and crop planting, including large enterprises, local distributors and grassroots farmers. The changes in sales volume of major customers of the Company are affected by global food demand.

SSB is a Sabah state government-invested company whose main business activity is the operation of oil palm plantations. RVSB is a 100% reinvestment company of Rubber Industry Smallholders Development Authority (Malaysian Rubber Industry Smallholders Development Authority, referred to as RISDA). Its parent company, RISDA, was established by the Ministry of Rural and Regional Development of the Federal Government of Malaysia in 1973 to assist local rubber in Malaysia. It was established by small farmers using replanting and new agricultural technologies to improve the diversification and quality of crops, while RVSB is mainly responsible for purchasing and supplying compound fertilizers to the oil palm and rubber planting companies of the group.

5.2.6 Production Value Of The Last Two Years

Unit : Ton ; NT\$ in Thousand

Annual year Production value Major Products	2022			2023		
	Production Capacity	Production Amount	Production Value	Production Capacity	Production Amount	Production Value
Biochemical Compound Fertilizer	327,260	145,058	2,325,780	327,260	95,069	2,223,264
Chemical Fertilizer		73,395			67,546	
Total	327,260	218,453	2,325,780	327,260	162,615	2,223,264

Note 1: Capacity only lists the capacity of subsidiaries ACI and SSHF machines.

Note 2: The output does not include product packaging such as unit fertilizer packaging, manual mixing and small packaging.

5.2.7 Sales Volume In The Recent Two Years

Unit: Tons: NT\$ in Thousand

Year Product	2022				2023			
	Domestic sales		Export		Domestic sales		Export	
	Amount	Value	Amount	Value	Amount	Value	Amount	Value
Biochemical Compound Fertilizer	140,096	2,415,883	2,809	42,234	98,487	1,348,416	2,112	31,335
Chemical Fertilizer	78,216	952,595	-	-	92,172	1,052,338	-	-
Others	19,778	291,618	-	-	13,973	394,498	-	-
Total	238,090	3,660,096	2,809	42,234	204,632	2,795,252	2,112	31,335

Note 1: The sales volume does not include other items such as bags and coffee grounds.

Note 2: Chemical fertilizers contain raw materials for sale.

Note 3: Domestic sales are sold in Malaysia, Taiwan and Indonesia, and exported to the Philippines and Vietnam.

5.3 The number of employees, average service years, average age and academic distribution ratio of employees in the last two years and the year ended

Unit : Headcount

Year		2022	2023	End of March, 2024
Number of Staff	Direct employee	324	374	379
	Indirect employee	164	169	169
	Total	488	543	548
Average age		32.50	34.50	34.65
Average Service Years		4.85	5.45	5.70
Academic Distribution	Master's Degree and above	10	10	10
	College	119	125	125
	High school and below	359	408	413
	Total	488	543	548

5.4. Environmental Expenditure Information

1. According to the law, the applicant shall apply for a permit or a pollutant discharge permit or a pollution prevention and control fee or a person who should set up an environmental protection special unit. The claim, payment or establishment status: None.
2. The company's investment in the main facility for the prevention and control of environmental pollution and its use and possible benefits:

December 31, 2023 Unit : RM

Device name	Quantity	Date Of Acquisition	Cost Of Investment	Unreduced Balance	Use and anticipation may result in benefits
Dust collection chamber (14mx3mx2.8m)	1	2011.05.18	40,260.00	-	Collect dust from the production of fertilizer
Dust collection chamber (8mx3mx2.8m)	1	2011.05.18	12,110.00	-	Collect dust from the production of fertilizer
Dust recycling equipment system	1	2017.07.30	474,300.00	152,968	Collect dust from the production of fertilizer
Dust recycling equipment system	1	2022.09.30	156,366.00	135,067	Collect dust from the production of fertilizer

3. The company has improved the environmental pollution in the last two years as per annual

report, and the company has a pollution dispute, and should explain its treatment: None.

4. The total amount of damages (including compensation), the total amount of the company's losses (including compensation) and the future response measures (including improvement measures) and possible expenses (including possible counter measures may not be taken) due to environmental pollution losses (including compensation) in the last two years and the end of the annual report. The estimated amount of loss, disposition and compensation, if it cannot be reasonably estimated, should state the fact that it cannot be reasonably estimated): None.
5. The current pollution situation and its impact on the company's earnings, competitive position and capital expenditure and its estimated major environmental capital expenditures in the next two years: None.

5.5. The Relationship of Employers and Employees

1. The company's various employee welfare measures, training, retirement system and its implementation status, as well as the agreement between labor and management and the maintenance measures of various employee rights and interests

(1) Employee welfare measures

1. Give annual salary increases and pay year-end bonuses based on employee performance
2. Promotion and salary increase according to the performance of the administrative staff
3. Employee overtime allowance
4. Employee annual leave system
5. Employee medical assistance and health check
6. Employee flexible work system
7. Employee travel allowance
8. Employee leisure and club activity benefits

(2) Employee training and training situation

In line with the company's operating policies, departmental goals, personal work or tasks, and in-house training or external training, sponsor employees to participate in relevant knowledge, technology, attitude and other related courses.

In addition, the company allocates an additional 1% of the salary cost (1% of the statutory requirement) to the Development Human Resources Development Fund (HRDF) for employee training. Training courses such as leadership, project management, intensive technical training, interpersonal communication skills, work attitudes and safety knowledge.

The implementation of the employee training plan in 2023, a total of 45 classes were conducted, 350 people participated, and the total class hours were 270 hours.

(3) Retirement system

The Company has a retirement scheme and allocates a provident fund to a certain percentage of the total amount of wages paid in accordance with the local “Labor Law”, namely the EPF (locally referred to as EPF) rules and regulations on EPF contributions ratio.

The basis of the Malaysian Provident Fund Board (EPF) is as follows:

- A. Non-employed employees: Can not be listed.
- B. Non-Malaysian citizens: You may choose to option out from the scheme
- C. Malaysian citizens: 11% for employees and 12% for companies.

(4) Agreement between labor and management

At present, employees of the company can express their opinions to the human resources department or department heads through e-mail, or meetings and meetings with employees. The communication channel is smooth and the labor relations are harmonious.

(5) Protection measures for various employee rights

1. The highest arbitration unit of the company's personnel evaluation committee for employees' problems and disputes
 2. Company personnel regulations, national labor and employment regulations as a model for solving personnel problems
 3. The company's personnel regulations electronic manual is widely distributed to each new employee, and explanation and guidance are given.
 4. The company's personnel department gives immediate assistance and corrections to the employees on their problems and rights on daily basis.
- . 2. List the losses suffered due to labor disputes in the most recent year and up to the date of publication of the annual report (including labor inspection results that violate the Labor Standards Act, the date of punishment, the number of the punishment, the violation of laws and regulations, the content of violations of laws and regulations, and the content of punishment should be listed), and disclose the estimated amount and countermeasures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be explained:

In the most recent year and up to the publication date of the annual report, the Company has not experienced labor disputes or other incidents.

5.6 Information Security Management

1. Information security risk management framework:

- (1) The company has established an independent information unit, which is responsible for information security and management, regularly reviews and evaluates information security protection measures, sets up a backup mechanism, and timely reviews processes and improves or upgrades computer hardware and software equipment, etc.
- (2) The company's auditing unit is the reviewing unit of the information cycle. If the audit finds deficiencies, it will require the inspected unit to propose an improvement plan and regularly track the improvement results to reduce information security risks.

2. Information Security Policy: Improve anti-virus operations internally, strengthen network control and data protection, set up firewalls externally, strengthen information security protection systems, and enhance employees' information security awareness.

3. Information security specific management plan:

- (1) Regularly back up company data and save it on-site and off-site to ensure that the data will not be lost.
- (2) Sets up a firewall to ensure network security
- (3) E-mail security/spam filtering system, and scan and pass all mails entering the server and filter junk mails
- (4) 3 layers of anti-virus programs for each workstation or server, regular maintenance and inspection of computers and system equipment
- (5) Data access control, set up different access rights according to different powers
- (6) Provide the latest virus information and conduct information security publicity from time to time to enhance the concept of information security protection.

5.7 Important Contracts

No	Contract Title	Contract Holder	Contract Validity	Contains and Term & Conditions
1	Joint Venture Agreement	1. Sabah Softwoods Berhad (SSB) 2. All Cosmos Industries	Jan 12, 2011	Established a joint venture company (Sabah Softwoods Hybrid Fertiliser Sdn Bhd) in Sabah to operate a fertilizer manufacturing plant that markets, trades and sells fertilizers.
2	Land Sales & Purchase Agreement	1. Real Strong (M) Sdn Bhd 2. All Cosmos Industries	Dec 31, 2009 (Valid till Jan 29, 2026)	Purchase of leased land from Real Strong (M) Sdn Bhd until January 29, 2026
3	Land Sales & Purchase Agreement	1. Johor Corporation 2. All Cosmos Industries	July 18, 2011 (effective from January 30, 2026, until January 29, 2056)	Johor Corporation (Perbadanan Johor) agreed to extend the lease of land till January 29, 2056.
4	Land Sales & Purchase Agreement	1. Johor aluminum 2. All Cosmos Industries	Oct 30, 2000	Johor Alumium (Perbadanan Johor) agreed to lease the land.
5	Land Sales & Purchase Agreement Appendix	1. Johor Corporation 2. All Cosmos Industries	July 20, 2011 (effective from September 24, 2023, until September 23, 2053)	Johor Corporation (Perbadanan Johor) agreed to extend the lease.
6	Land Sales & Purchase Agreement	1. Johor Corporation 2. All Cosmos Industries	March 28, 2012 (The period of use until December 26, 2072)	Johor Corporation (Perbadanan Johor) agrees to lease the land for 60 years.
7	Fertilizer Formulation Licensing Agreement	1. MALAYSIAN PALM OIL BOARD, MPOB 2. SABAH SOFTWOODS	Effective from October 24, 2014, within five years from the date of signing the contract (Note)	The licensed product is a compound fertilizer for use in oil palm, and its production is based on the information, expertise or improvement provided by MPOB in accordance with this contract.
8	Land Sales & Purchase Agreement	1. POIC Sabah Sdn Bhd 2. SABAH SOFTWOODS	March 31, 2011 (Validity till Dec 31, 2104)	POIC Sabah Sdn Bhd agreed to lease the land.
9	Joint Venture Agreement	1. Sawit Kinabalu Ecotech Sdn Bhd (SKESB) 2. All Cosmos Industries	Feb 23, 2018	Established a joint venture company in Kinabalu (Kinabalu Life Sciences Sdn Bhd), which is mainly responsible for the research and production of bacterial cells for oil palm waste disposal.
10	Joint Venture Agreement	1. Sawit Kinabalu Ecotech Sdn Bhd (SKESB) 2. All Cosmos Industries	Feb 23, 2018	Established a joint venture company in Sabah (Sawit Ecoshield Sdn Bhd) to provide industrialized services for agricultural waste recycling.
11	Joint Venture Agreement	1. YPJ Plantations Sdn Bhd 2. All Cosmos Bio-Tech Holding Corporation	March 12, 2018	Established a joint venture company (PT All Cosmos Biotek) in Indonesia to operate a fertilizer manufacturing plant, which will market, trade and sell fertilizers
12	Technical Sales	1. Malaysian Agricultural Research And Development Institute (MARDI)	Oct 9, 2018	AESB signed a technical sales contract with MARDI to obtain a liquid gun for the use of induced system resistant papaya seedlings to control papaya bacterial wilt, and adjustable

No	Contract Title	Contract Holder	Contract Validity	Contains and Term & Conditions
	Agreement	2. Arif Efektif Sdn Bhd		capacity.
13	Joint Venture Agreement	1. Grape King Bio. Ltd 2. Chiu, Hsien Chih 3. All Cosmos Bio-Tech Holding Corporation	Jan 9, 2019	Established a joint venture company (GK Bio International Sdn Bhd) in Malaysia to promote and sell healthy foods, food supplements and raw materials in member countries such as Malaysian Association of Southeast Asian Nations.
14	Land Sales & Purchase Agreement	1. PT Perkebunan Nusantara III (Persero) 2. PT All Cosmos Biotek	Sept 17, 2018 (Validity till Sept 16, 2048)	PT Perkebunan Nusantara III agreed to lease the land (40,000 square meters) at Sei Mangkei Village, Bosar Malings Sub-District, Simalungun Recency, North Sumatera Province Plot B-9
15	Loan Contract	1. AMbank 2. ACI	Sept 29, 2021	Bank Credit Comprehensive Line Contract and General Agreement (RM7,500,000) 1. Available within 12 months 2. 3 months advance notice to the bank for early repayment 3. Pledge PLO539 Jln Keluli/ PLO 650 Jln Keluli 7
16	Loan Contract	1. UOB 2. ACI	Dec 28, 2019	Bank Credit Comprehensive Line Contract and General Agreement (RM21,500,000) 1. Guaranteed by ACBT endorsement 2. Pledge PLO442 Jln Suasa 3. Pledge fixed deposit of RM 1,000,000
17	Loan Contract	1. RHB 2. ACI	Jan 11, 2022	Bank Credit Comprehensive Line Contract and General Agreement (RM23,500,000) 1. Pledge fixed deposit RM 6,000,000 2. Guaranteed by ACBT endorsement

Note: The contract can be extended with the written consent of both parties.

6.0 Financial Overview

6.1 Brief financial statements and comprehensive profit and loss statements for the recent five years

6.1.1 Information on brief financial statement and comprehensive profit and loss statements

1. Concise Balance Sheet

Unit : NT\$ In Thousand

Year Item		(Financial information for recent five years)				
		2019	2020	2021	2022	2023 (Note 1)
Current assets		1,788,718	1,827,027	2,302,079	3,366,881	2,818,378
Real estate, plant and equipment		470,047	441,878	465,064	519,411	641,159
Intangible assets		2,457	1,680	1,214	843	10,180
Other assets		378,289	343,785	201,554	224,244	204,018
Total assets		2,639,511	2,614,370	2,969,911	4,111,379	3,673,735
Current liabilities	Before Distribution	175,438	221,393	562,007	681,772	790,245
	After Distribution	239,472	285,427	658,058	841,857	854,279
Non-current liabilities		38,158	29,799	29,271	566,398	69,296
Total liabilities	Before Distribution	213,596	251,192	591,278	1,248,170	859,541
	After Distribution	277,630	315,226	687,329	1,408,255	923,575
Attributable to the owners of the parent company		2,045,734	1,986,510	1,990,366	2,366,933	2,254,343
Share capital		640,340	640,340	640,340	640,340	640,340
Capital reserve		781,838	781,838	781,838	781,838	781,838
Retaining surplus	Before Distribution	943,876	962,046	1,096,140	1,366,944	1,344,208
	After Distribution	879,842	898,012	1,000,089	1,206,859	1,280,174
Other rights		(320,320)	(397,714)	(527,952)	(422,189)	(512,043)
Treasury stock		-	-	-	-	-
Non-control interest		380,181	376,668	388,267	496,276	559,851
Total equity	Before Distribution	2,425,915	2,363,178	2,378,633	2,863,209	2,814,194
	After Distribution	2,361,881	2,299,144	2,282,584	2,703,124	2,750,160

Note 1: The 2023 cash dividend distribution case was approved by the board of directors of the company on March 14, 2024, and is expected to report to the shareholders meeting on June 21, 2024.

2. Brief Comprehensive Profit and Loss Statement

Unit : NT\$ in Thousand

Year Items	(Financial information for recent five years)				
	2019	2020	2021	2022	2023
Operating income	1,767,699	1,642,783	2,197,323	3,702,330	2,826,587
Operating gross profit	393,312	372,147	594,365	1,137,576	587,979
Operating profit and loss	73,231	102,711	273,241	666,992	189,895
Non-operating income And expenditure	30,587	46,960	48,344	(33,042)	67,735
Net profit before tax	103,818	149,671	321,585	633,950	257,630
Continuing business unit	38,678	98,168	236,654	456,019	189,309
Current net profit					
Loss of business unit	-	-	-	-	-
Current net profit (loss)	38,678	98,168	236,654	456,019	189,309
Other comprehensive profit and loss of the period (net after tax)	(10,165)	(91,207)	(155,386)	127,134	(109,478)
Current consolidated profit and loss lump sum	28,513	6,961	81,268	583,153	79,831
Net profit belongs to Parent company owner	35,694	82,204	198,128	368,204	139,361
Net profit belongs to Non-control interest	2,984	15,964	38,526	87,815	49,948
The total profit and loss is attributable to the parent company owner	27,473	4,810	67,890	473,967	49,452
Total consolidated profit and loss is attributable to non-controlling interests	1,040	2,151	13,378	109,186	30,379
Earnings per share	0.56	1.28	3.09	5.75	2.18

6.1.2 Names and audit opinions of auditor in the past five years

Year	Name of Audit Firm	Auditors	Audit opinions
2019	Deloitte & Touché	Chen Chiang Hsun and Yu Cheng Chuan	Unqualified Opinion
2020	Deloitte & Touché	Chen Chiang Hsun and Ho Jui Hsuan	Unqualified Opinion
2021	Deloitte & Touché	Chen Chiang Hsun and Ho Jui Hsuan	Unqualified Opinion
2022	Deloitte & Touché	Chen Chiang Hsun and Liang Sheng Tai	Unqualified Opinion
2023	Deloitte & Touche	Chen Chiang Hsun and Liang Sheng Tai	Unqualified Opinion

6.2 Financial Analysis over the Recent Five Years

Unit : NT\$ in Thousand

Year		Financial Analysis over the Recent Five Years				
Analysis Items (Note 1)		2019	2020	2021	2022	2023
Financial structure (%)	Liabilities to assets ratio	8.09	9.61	19.91	30.36	23.40
	Long-term capital fixed assets ratio	443.34	456.30	434.27	564.74	362.41
Debt paying ability (%)	Current ratio	1,019.57	825.24	409.62	493.84	356.65
	Quick ratio	826.92	643.74	247.03	320.06	267.19
	Interest coverage ratio	1,198.84	3,470.97	7,188.05	3,470.28	65.68
Operation capability	Receivables turnover rate (times)	2.76	3.12	4.06	6.37	4.87
	Average number of days of cash receipt	132	117	90	57	75
	Inventory turnover rate (times)	2.91	4.15	2.78	2.54	2.53
	Payable turnover rate (times)	22.18	17.96	19.53	28.14	20.84
	Average number of days of goods sale	125	88	131	143	144
	Total assets turnover rate (times)	3.71	3.60	4.85	7.52	4.87
	Total asset turnover rate (times)	0.63	0.63	0.79	1.05	0.73
Profitability	Asset return rate (%)	1.53	3.26	7.22	10.80	3.66
	Shareholders' equity return rate (%)	1.69	4.08	9.96	16.90	6.03
	Net profit before tax (%)	16.21	23.37	50.22	99.00	40.23
	Net income rate (%)	2.02	5.00	9.02	9.95	4.93
	Earnings per share (NT\$)	0.56	1.28	3.09	5.75	2.18
Cash flow	Cash flow ratio (%)	503.63	(57.31)	(12.04)	6.43	121.39

Year Analysis Items (Note 1)		Financial Analysis over the Recent Five Years				
		2019	2020	2021	2022	2023
	Cash flow fair ratio (%)	125.60	106.28	35.48	24.36	140.42
	Cash re-investment ratio (%)	25.87	(8.21)	(4.77)	(1.62)	23.92
Leverage	Operation leverage	1.73	2.36	1.88	1.38	2.09
	Financial leverage	1.15	1.05	1.02	1.03	1.02

Please indicate the reasons for the changes in the financial ratios in the last two years. (If the increase or decrease is less than 20%, it can be exempted from analysis)						
1. Decrease in the ratio of liabilities to assets: ratio drops mainly because borrowings for purchasing materials decreased. 2. The ratio of long-term funds to real estate, plant and equipment decreased: the company issued the first unsecured convertible corporate bonds in September 2022, with a total issuance of NT\$500,000 thousand and it is converted to short-term liabilities in 2023. 3. The decrease in current ratio: as the result of increasing short-term liabilities due to the corporate bonds issued in 2022 is converted from long-term liabilities to short-term liabilities. 4. Interest coverage ratio decrease: The company's interest coverage ratio decreased mainly because interest expenses increased as the result of the decreasing profit and increasing interest expenses from higher interest rates. Profitability is sufficient to guarantee the repayment of due debts, and the company's long-term solvency has no other hidden concerns. 5. Decrease in turnover rate of accounts receivable and increase in average cash collection days: The decrease in turnover rate of accounts receivable in this period is mainly due to the decline of the company's sales performance in this year compared with the previous period, and the collection of accounts receivable from customers is not overdue. 6. Decrease in turnover of accounts payable: Mainly due to decreasing raw material prices, cost of goods sold has decreased compared to the previous period, while accounts payable payment is carried out in accordance with the terms of delivery, which is not much different from the previous period. 7. Real estate, plant and equipment turnover rate and return on assets decrease: mainly due to the decrease in the overall income this year due to declining raw material prices, resulting in a significant decrease in return on assets compared to the previous year. The return on assets in 2023 is not much different from market interest rate and can be regarded as a stable performance, and there are no other concerns that require heightened vigilance. 8. Decreased profitability: With the overall market performance returning to stability in 2023, fertilizer prices have also dropped along with the decline in raw material prices. Under such circumstances, many fertilizer manufacturers with large inventories of high-priced products have lowered their sales prices in order to reduce losses. In the competitive environment, the company also adjusted its order intake accordingly to make profits. 9. Increase in cash flow ratio and cash reinvestment ratio: The increase in the collection of receivables and control of inventories in this period make the cash flow ratio and cash reinvestment ratio increase compared with the previous period. 10. Increase in net cash flow adequacy ratio: mainly due to the increase in inventory at the end of the year and the increase in capital expenditure. 11. Increase in operating leverage: The decrease in operating costs of the company this year is mainly due to declining sales revenue and also affected by price fluctuations in raw materials.						

Note 1. Calculation formula for analysis items:

1. Financial structure

(1) Liabilities to assets ratio = total liabilities / total assets.

(2) Long-term capital to property, plant & equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt paying ability

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventory – prepaid expenses) / current liabilities.

(3) Interest coverage ratio = net income before tax and interest expense / interest expense for the current period.

3. Operation capability

(1) Receivables (including accounts receivable and bills receivable arising from business operation) turnover

rate = net sales / average receivables for each period (including balance of accounts receivable and bills receivable arising from business operation).

(2) Average number of days cash receipt = $365 / \text{receivables turnover rate}$.

(3) Inventory turnover rate = cost of goods sold / average inventory amount.

(4) Payables (including accounts payable and bills payable arising from business operation) turnover rate = cost of goods sold / average payables for each period (including accounts payable and notes payable arising from business operation).

(5) Average number of days of goods sale = $365 / \text{inventory turnover rate}$.

(6) Fixed assets turnover rate = net sales of goods / net fixed assets.

(7) Total asset turnover rate = net sales of goods / total assets.

4. Profitability

(1) Assets return rate = $[\text{Profit and loss after tax} + \text{interest expense} \times (1 - \text{tax rate})] / \text{average total assets}$.

(2) Shareholders' equity return rate = Profit and loss after tax attributable to owners of the parent company / average attributable to owners of the parent company.

(3) Net income rate = profit and loss after tax / net sales of goods.

(4) Earning per share = (profits and losses attributable to owners of the parent company - special dividends) / weighted average number of issued shares. (Note 3)

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Net cash flow fair ratio = net cash flow from operating activities over the current five years / increase in (capital expenditure + inventory + cash dividend) for the current five years.

(3) Cash re-investment ratio = (net cash flow from operating activities - cash dividends) / (gross fixed assets + long-term investment + other non-current assets + working capital). (Note 4)

6. Leverage:

(1) Operation leverage = (net operating income - variable operating costs and expenses) / operating profit (Note 5).

(2) Financial leverage = operating profit / (operating profit - interest expense).

Note 2: The calculation formula of the earnings per share of the preceeding paragraph should pay special attention to the following matters when measuring:

1. Based on the weighted average number of common shares, not based on the number of shares issued at the end of the year.
2. Anyone who has a cash increase or a treasury stock trader should consider the circulation period and calculate the weighted average number of shares.
3. Anyone who has transferred surplus or capital increase will be retrospectively adjusted according to the proportion of capital increase when calculating the earnings per share of the previous year and the semi-annual, and no consideration on period of issuance is needed for the capital increase.
4. If the special stock is a non-convertible accumulative of special stock, its annual dividend (whether or not it is paid) shall be the net profit reduction after tax or increase the net loss after tax. If the special stock is non-cumulative, in the event of net profit after tax, the special stock dividend shall be deducted from the net profit after tax; if it is a loss, it shall not be adjusted.

Note 3: The cash flow analysis should pay special attention to the following items when measuring:

1. Net cash flow from operating activities refers to the cash inflow as per operating activities statement.
2. Capital expenditure refers to the number of cash outflows per year of capital investment.
3. The increase in inventory is only included when the ending balance is greater than the opening balance. If the inventory is reduced at the end of the year, it is calculated as zero.
4. Cash dividends include common shares and special shares cash dividends.
5. Gross property, plant and facility are the total amount of real estate, plant and facility before deducting accumulated depreciation.

Note 4: The Issuer should classify various operating costs and operating expenses into fixed and variable properties. If there is an estimate or subjective judgment, attention should be paid to its rationality and consistency.

Note 5: If the company's stock is not denominated or the denomination is not NT\$10, the calculation of the proportion of the paid-up capital in the former opening is calculated by the equity ratio of the balance sheet attributable to the owner of the parent company.

6.3 Audit Committee Review Report of the Latest Annual Financial Report

All Cosmos Bio-Tech Holding Corporation.

Audit Committee Review Report

The Board of Directors has prepared the 2023 Business Report, Financial Statement and Retained Earning Distribution Proposal, of which the financial statements have been audited by Chen Chiang Hsun and Ho Jui Hsuan, auditors of Deloitte & Touche, and unqualified opinion auditing report is issued. The above-mentioned business report, financial statement and earnings distribution proposal have been checked by the Audit Committee and it is considered that there is no discrepancy. A report will be issued in accordance with the Securities Exchange Law for reference.

All Cosmos Bio-Tech Holding Corporation

Audit committee convener

Yang Yung Cheng

March 14, 2024

6.4 The consolidated financial statements of the parent company of the recent year by the accountant :
Please refer to page 140 to 216 of this report.

6.5 If the company and its affiliate companies have encounter any financial turnover difficulty, the impact on the company financial condition should be listed in the latest annual report: None.

7.0 Review and analysis of financial status and financial performance and risk issues

7.1 Financial status: The main reasons for the significant changes in assets, liabilities and shareholders' equity in the last two years and their impacts. If the impact is significant, the future countermeasure plan should be stated.

Unit : NT\$ in Thousand

Year/ Analysis Item	2022	2023	Difference	
			Amount	Ratio (%)
Current assets	3,366,881	2,818,378	(548,503)	(16.29)
Property, plant and equipment	519,411	641,159	121,748	23.44
Intangible assets	843	10,180	9,337	1,107.59
Other assets	224,244	204,018	(20,226)	(9.02)
Total assets	4,111,379	3,673,735	(437,644)	(10.64)
Current liabilities	681,772	790,245	108,473	15.91
Long-term liabilities	533,821	25,469	(508,352)	(95.23)
Other Liabilities	32,577	43,827	11,250	34.53
Total liabilities	1,248,170	859,541	(388,629)	(31.14)
Share capital	640,340	640,340	-	-
Capital surplus	781,838	781,838	-	-
Retained earnings	1,366,944	1,344,208	(22,736)	(1.66)
Other equity	(422,189)	(512,043)	89,854	21.28
Total equity	2,863,209	2,814,194	(49,015)	(1.71)
The main reasons for the increase and decrease of the two phases are more than 20%, and the change amount is at least NT\$10,000,000. 1. The increase in real estate, plants and equipment is mainly due to the factory building of the Indonesian joint venture company. 2. The decrease in long-term liabilities is mainly due to the increase in issuance of corporate bonds in 2022 and their reclassification to short-term liabilities in 2023. 3. The increase in other liabilities was mainly due to the increase in deferred income tax liabilities. 4. Other changes in equity are due to the impact of exchange differences caused by the fact that operation is mainly based in Malaysia and Malaysian ringgit is the functional currency, and currency used for financial report is the New Taiwan Dollar.				

7.2 Financial Performance:

(1) Financial performance analysis table

Unit : NT\$ in Thousand

Analysis Item	Year	2022	2023	Difference	
				Amount	Ratio (%)
Operating revenue		3,702,330	2,826,587	(875,743)	(23.65)
Operating costs		2,564,754	2,238,608	(326,146)	(12.72)
Gross profit		1,137,576	587,979	(549,597)	(48.31)
Operating expenses		470,584	398,084	(72,500)	(15.41)
Profit from operations		666,992	189,895	(477,097)	(71.53)
Non-operating income and expenses		(33,042)	67,735	100,777	(305.00)
Net profit before tax		633,950	257,630	(376,320)	(59.36)
Income tax expense		177,931	68,321	(109,610)	(61.60)
Net profit after tax		456,019	189,309	(266,710)	(58.49)

The main reasons for the increase or decrease of the two phases are more than 20%, and the change amount is at least NT\$10,000,000.

1. Operating income: This year's revenue decreased by 23.65% compared with the previous period, mainly due to the outbreak of the Russo-Ukrainian war in early 2022 resulted in high costs of urea and potassium, therefore the average price per ton continues to remain high, so the company's sales continue to increase. In 2023, as the supply of raw materials has stabilized, prices have returned to normal levels and the average sales unit price has been reduced, revenue therefore decreased in comparison with the previous period.
2. Operating margin: When the overall market performance returns to stability in 2023, fertilizer prices also decreased along with the decline in raw material prices. Under such circumstances, many fertilizer manufacturers with large inventories of high-priced stocks lowered their sales prices to reduce losses, under such competition of market prices, the company accepted orders while there was still some profit margin, and the gross profit margin therefore decreased compared with the previous period.
3. Operating profit: The decrease in operating profit is mainly due to the decrease in operating profit.
4. Non-operating income and expenses: The decrease in non-operating profit was mainly due to the recognition of foreign currency exchange losses.
5. Income tax expense: Income tax decreased this year due to decreased operating profit performance than the previous period.

(2) Expected sales volume and its basis, possible impact on the company's future business financial and countermeasure plan

As the fertilizer market in Malaysia is still dominated by chemical fertilizers, the company realized its excessive product concentration and actively developing microbial compound fertilizer products on other crops to reduce the operational risks caused product concentration. In addition, the strategic cooperation with the Grape King will enable us to expand into the biotechnology business of health products from agricultural biotechnology and expand the ASEAN market together. In addition, the expansion of the company's Indonesian plant is still actively underway, with a view to expanding the market and reducing the operational impact of excessive single market concentration.

7.3 The analysis of cash flow changes

(1) Latest Analysis of changes in cash flow

Unit : NT\$ in Thousand

Analysis Item \ Year	2022	2023	Difference	
			Amount	Ratio (%)
Cash flow from operating activities	43,843	959,243	915,400	2,087.90
Cash flow from investing activities	(4,668)	(202,979)	(198,311)	(4,248.31)
Cash flow from financing activities	490,389	(549,882)	(1,040,271)	(212.13)
Changes analysis:				
1. Cash flow from operating activities:				
The cash flow ratio in 2023 will increase by 2087.90% or 915,400 thousand dollars compared with the previous period, mainly due to the following factors:				
i. The net change in accounts receivable was NT\$231,330 thousand, an increase of NT\$471,063 thousand or -196.49% from the previous period				
ii. The net change in inventory was NT\$537,702 thousand, an increase of NT\$788,182 thousand or -314.67% over the previous period.				
In 2023, the company's collection of accounts receivable from customers was in good condition.				
The average inventory in 2023 is lower than the average in 2022. The main reason is that the supply of raw materials has stabilized, the prices of raw materials have dropped back to normal levels, and the company's inventory has maintained normal supply and demand.				
2. Cash flow from investment activities: Mainly represents the cash outflow from the acquisition of financial assets measured at amortized cost and the acquisition of real estate, plant and equipment in 2023				
3. Cash flow from financing activities: Mainly due to repayment of short-term loans.				

(2) Improvement plan for insufficient liquidity

Although the company continues to have operational capital turnover requirements in the coming year, it is expected that the company's revenue will be stable and the funds will be invested, so that the business activities will show a net cash inflow, and the cash flow of investment and financing activities should be available. Moreover, the

company and the bank establish long-term good credit conditions, so there is no shortage of liquidity.

(3) Analysis of cash flow in the coming year (2024)

Unit : NT\$ in Thousand

Cash Balance At The Beginning	Estimated annual cash in/(out)flow	Expected cash surplus (shortage) amount	Remedies for estimated cash shortage	
			Investment plan	Financial plan
1,458,863	(382,491)	1,076,372	-	-
Analysis of changes in cash flow in the coming year: 1. Business activities: Continue to expand the company's business, and strengthen cost control, to estimate incoming cash flow amount. 2. Investment activities: The Indonesian joint venture company sets up a factory to expand the Indonesian market. 3. Financing activities: None.				

7.4 The significant impact of annual capital expenditures on financial operations in the most recent year:

The major capital expenditures in recent years are for the Indonesian joint venture company to set up factory to expand the Indonesian market, which is a market expansion strategy.

There is no significant impact on the company's finances.

7.5 The most recent annual investment policy, the main reason for its profit or loss, the improvement plan and the investment plan for the following year

7.5.1 The company's investment policy:

The Company's main investment target is on the same industry and has not been engaged in non-related industries investment. In addition to the investment cycle regulation of the internal control system, the Company's Management enforced a standard of managing transfer investment business, such as "Relationship on Corporate Transaction Management Measures" and "The Measures for the Supervision and Management of Subsidiaries" are regulated for the investment in control. In addition, consider the various investment companies in the local laws and regulations and the actual operating conditions, and assist the transfer companies to establish appropriate internal control systems.

7.5.2 The main reasons for the profit or loss of investment in recent years and the improvement plan:

Unit: NT\$ in Thousand

Re-invested Entities	Principal Business Activities	2023 Gain/(Loss) on Investment	Main Reason for Gain/(Loss)
ACI	Manufacturing and sales of biochemical organic high-performance compound fertilizer	80,644	Mainly from west Malaysia districts
SSHF	Manufacturing and sales of biochemical organic high-performance compound fertilizer	32,125	Mainly from east Malaysia districts
PT ACB	Manufacturing and sales of biochemical organic high-performance compound fertilizer	(2,269)	No sales revenue yet
PT ACI	Sales of biochemical compound fertilizer products	36,350	Increase of Indonesia market revenue and profit
AESB	Research and production of microorganisms into biochemical organic high-performance compound fertilizer	947	Increased sales of microorganisms
KLSSB	Research and production of microorganisms into oil palm waste treatment	325	Supplying microorganisms to SESB
CNSB	Medical and health food manufacturing and sales and biotechnology research	(112)	No business income yet
GKB	Probiotics for sale	35,495	Increased sales of probiotics
SESB	Research and production of microorganisms into oil palm waste treatment	5,975	Increase of sales of biological vaccine in East Malaysia.
EEMSB	Sales of health care food and cosmetic care products	651	Mainly due to sales and profits from sales in the Malaysia market

7.5.3 Investment plan for the coming year

After the pandemic slows down, the company expects new joint ventures in East Malaysia's Sabah state to do research and produce industrialized services for oil palm waste treatment and agricultural waste recycling in the coming year; Indonesia's new joint venture company will also set up a factory to expand the Indonesian market. The Company will continue to cooperate with the overall operation and development, observe the market sentiment trend and the Group's business strategy and other

factors to invest in the appropriate time.

7.6 Analysis and assessment of risk factors in the most recent year and till the publication date of annual report:

7.6.1 The impact of interest rate, exchange rate changes and inflation on the company's profit and loss and future countermeasures

(1) Interest rate changes

The Company's interest expenses for 2022 and 2023 were 18,810 thousands and 3,983 thousands respectively, accounting for 0.51% and 0.14% of the net operating income. The interest expense of the Company is mainly due to bank loans, and the ratio of operating income is not significant, so the interest rate changes have little impact on the Company. However, if there is a large fluctuation in the interest rate trend and the Company continues to have the demand for loans, the company will observe the interest rate trend and choose the fixed interest rate in addition to the other capital market financing tools. Loans by means of floating interest rates to reduce the risk of interest rate fluctuations.

(2) Exchange rate changes

Since the company's main sales locations are mainly in Southeast Asia such as Malaysia, basically most of the sales are denominated in Malaysian currency, while the purchases are mainly denominated in US dollars. Therefore, most of the exchange differences are pre-purchased in foreign currency, but there may still be insufficient of pre-purchased foreign exchange will may cause the appreciation of the RM position to the US dollar incurred risk of the foreign currency exchange loss to the Company.

The Company's foreign currency exchange gains in 2022 and 2023 were (41,869) thousands and 39,238 thousands respectively, accounting for (1.13)% and 1.39% of net operating income, and there was no significant exchange rate fluctuation loss. The company has taken below countermeasures:

- A. Continue to strengthen the concept of financial personnel's hedging, evaluate the pre-purchased foreign currency according to the company's purchase of raw material order amount and the exchange rate set by the sales order, and through the online exchange rate real-time system and strengthen the relationship with financial institutions and monitor international political status, etc. In order to judge the trend of exchange rate changes, it is used as a basis for pre-purchasing foreign currency.
- B. Increasing the proportion of export sales against the expenses of the sales under the same currency of the cost of purchase and related expenses, in order to achieve natural hedging effect.

(3) Inflation

The global economy has recovered greatly after the epidemic. In addition, the Russia-Ukraine war has driven up raw material prices and caused inflation. Central banks of various countries have controlled the spread of inflation by raising interest rates appropriately. However, the inflation rate in 2023 is 6.8%, which is still higher than the pre-epidemic level of about 3.5%. Amid high inflation, high interest rates and China's post-epidemic economic performance not being as good as expected, the global economic growth rate in 2023 will decline from 3.5% in 2022 to 3.1%. Fluctuations in bulk raw material prices have a direct impact on production and sales costs. In order to reduce operational risks, the company has become strategic partners with suppliers and will continue to obtain raw materials with cost lowered than market price. In addition, the expansion of production capacity to achieve economies of scale, continuous improvement of process capabilities to reduce production costs, and development of high value-added products have shown positive results in improving gross profit and decrease the impact of inflation.

7.6.2 Engagement in high-risk, high-leverage investment, capital loan and others, endorsement guarantee and derivative commodity trading, profit or loss and future countermeasures

The Company has always focused on the industry and operated its business on a pragmatic basis. Apart from focusing on the company's business areas, the Company has not engaged in high-risk, highly leveraged investments. The Company is engaged in the main business of derivative products in response to the risk of exchange rate fluctuations, and the company's fund loan and endorsement guarantees are all inter-group companies or affiliate, and the company has "derivative commodity operating procedures", "finance loan and endorsement guarantee operations". Measures and "Acquisition or Disposition of Asset Processing Procedures" for compliance.

7.6.3 Research and development estimation expenses for future R&D projects

R&D Projects	Projects Contents
4-in-1 phage biofertilizer	Screening of phage that can control <i>R. solanacearum</i> in wastewater, using transgenic <i>E. coli</i> as a host for mass production of phage, production of phage preparations and application to fertilizer products
4-in-1 anti-white root disease control fertilizer	Screening endophytic <i>Trichoderma</i> from roots of healthy plants, optimizing the production of spores through culture, and combining fertilizers to control diseases
Oil palm by-product degradation	A variety of Malaysian native degrading bacteria are mixed and degraded for by-products such as oil slag from palm oil mills to decompose the finished product into organic fertilizer.
Value-added	The addition of <i>Trichoderma</i> for different agricultural

R&D Projects	Projects Contents
agricultural by-products	by-products produces a control agent for farmers in a more economical way, and also solves the problem of excess by-products. Different by-products and different Trichoderma products are paired with each other, and the formula is stable, suitable concentration and economical formula
Disease resistant seedling inoculation	Inoculate disease-resistant Trichoderma for different crop seedlings. The use of Trichoderma species is adjusted according to the crop and medium.
Special nitrogen-fixing biological fertilizer for rice and green leafy vegetables	Develop high-efficiency nitrogen-fixing bacteria, optimize the breeding conditions and breed the strain, produce high-concentration bacterial liquid, and apply it to fertilizer products to improve soil nitrogen fixation performance.

The company is expected to consider the actual needs of the future to upgrade the experimental equipment, to expand the development of functional strains and to have a backup microbial production line and increase the production speed, continue to commercialize the bacterial strain and to invest in research and development resources according to individual product development plans in the future. Currently, target to invest approximately RM5 million into the research and development.

7.6.4 The impact of important policies and legal changes at home and abroad on the company's financial business and the countermeasures

The country of registration of the company is at Cayman Islands. The Cayman Islands is mainly engaged in financial services. The economy is open and there is no exchange control, and the political and economic environment is stable. The main operating country is Malaysia. The main product produced and sold by the company is biochemical compound fertilizer, which required for the growth of oil palm tree, the most important economic crop in Malaysia. The company's biochemical compound fertilizer MPOB F4 is approved and licensed by the Malaysian Oil Palm Board (MPOB) and continues to introduce biochemical compound fertilizers that can treat and prevent diseases, such as Gano EF, which prevents oil palm tree ganoderma disease. The company has been long in cooperating with professional organizations and is always aware of the impact of important domestic and international policies and legal changes on the company's financial operations in order to take appropriate countermeasures. In recent year and till the date of publication of annual report, the company has not had any significant events affecting the company's financial business due to changes in important policies and laws in the above regions.

7.6.5 The impact of technological changes and industrial changes on the company's financial business and the countermeasures

The company's main products are biochemical compound fertilizers necessary for

the growth of crops. With the increasing global population, the reduction of arable land and environmental awareness. The ratio of farmers using general chemical fertilizers has been declining year by year, and compound fertilizers mixed with various unit fertilizers have gradually replaced traditional fertilizers. With the advancement of science and technology, the multifunctional biochemical compound fertilizer is the main development trend. Demand in the fertilizer market is affected by crop production and food supply. According to the International Fertilizer Association (IFA), from 2023 to 2024, there will still be pressure on global fertilizer supply, however, fertilizer prices have returned to normal levels as global supply gradually stabilizes.

The company continues to develop various types of fertilizers, using innovative technology to add biological species, green technology, pest control and other elements to the fertilizer manufacturing, not only can provide soil nutrients can change the soil's pH, viscosity, pest diseases, weeds and other issues. Therefore, technological changes and industrial changes have not had a major impact on the company's financial business.

7.6.6 The impact of corporate image change on corporate crisis management and countermeasures

The company is committed to be sustainable with business integrity, focusing on the development and production of various types of fertilizers, in order to meet the needs of various regions of climate, soil, crops, etc., The company has very good reputation and is well known among the industry in Malaysia. In the recent year, there has been no corporate crisis management due to changes in corporate image.

7.6.7 Expected benefits, possible risks and countermeasures for M&A

There have been no plans to acquire other companies in recent year of the company and till the publication date of the annual report.

7.6.8 Expected benefits, possible risks and countermeasures for the expansion of the plant

In the most recent year and as of the date of publication of the annual report, the company's two new joint ventures in East Sabah have set up industrialization services for research and production of bacterial cells for oil palm waste treatment and agricultural waste recycling. Assist agricultural processing plants to convert wastes that originally required expensive processing fees into multi-functional and economically valuable agricultural products such as disease-resistant organic fertilizers, and use this biological control agent more widely in oil palm plantations. It effectively prevents the growth of oil palm ganoderma disease.

7.6.9 Risks and countermeasures in the concentration of purchase or sales

(1) Purchase

The purchase amount of the top ten Supplier Company in 2022 and 2023 accounted

for 65.74% and 71.17% of the total annual net purchases, respectively, with a slight increase or decrease in the proportion. The procurement projects are mainly potassium chloride, urea and phosphate rock powder, of which potassium chloride is the main raw material exceeding 40% of the net purchase. Because TOP TRADING LIMITED、CORRIGO FERTILIZERS FZ-LLC、EUROCHEM TRADING GMBH and JSC BELARUSIAN POTASH COMPANY are the main direct manufacturers of potassium chloride, the company has a higher ratio of potassium chloride purchase from above manufactures. The Company's good business relationship with them and their products are substitutable, therefore, the situation of concentrated purchases should not have a material adverse impact on the financial business of the Company.

The above-mentioned company's purchase concentration is caused by the industrial characteristics. In addition, the company continues to search for suitable urea, potassium chloride and phosphate rock suppliers around the world based on the diversification of sources to minimise the risk of concentrated purchases. Therefore, the company should not have encounter risk of major concentrated purchases.

(2) Sales

The sales of the top ten customers of the Company in 2022 and 2023 accounted for 52.50% and 45.81% of the annual operating income, mainly due to the fact that Malaysia is one of the key global oil palm production countries. The oil palm industry is owned by Malaysia government and large enterprises, which owned more than 80% of the total plantation space in Malaysia. Only approximately 10% of the oil palm plantation is owned by the small owner. As a result, the sales ratio of the top ten customers of the company is relatively high. However, the Company continues to strive to develop new customers in each region, and the sales ratio of each period to a single customer has not exceeded 20%. The company's operation has also shown stable profit for many years, so the risk of sales concentration should not be significant.

7.6.10 Directors, supervisors or major shareholders holding more than 10% of the shares, the impact of a large number of shares transferred or replaced on the company, risks and countermeasures

The Company's recent year and till the annual report published date, there is no operational risk to the company due to the substantial transfer or replacement of the directors or major shareholder equity.

7.6.11 The impact of changes in management rights on the company, risks and countermeasures

There has been no change in the Company's management rights in the recent year and till the date of publication of the annual report.

7.6.12 Litigation or non-litigation incidents, the company and the company's directors,

supervisors, general managers, substantive personels, major shareholders holding more than 10% of the shares and subordinate companies have A major lawsuit that the subordinate company has decided to determine or is still in the system of litigation, non-litigation or administrative litigation, the result may have a significant impact on shareholders' equity or securities prices. The facts of the dispute, the amount of the subject matter, the commencement date of the litigation, the main litigant and the annual report shall be disclosed.

- (1) The company's recent two-year and up-to-date annual report stated cases of the litigation, non-litigation or administrative litigation that has been determined or currently in the system, and the results may have a significant impact on shareholders' equity or securities prices. The fact of the dispute, the amount of the subject matter, the commencement date of the lawsuit, the parties involved in the proceedings and the current situation should be disclosed:

The company itself has not litigated or a non-litigation situation in the last two years and up to the date of publication of the annual report.

- (2) The company's directors, supervisors, general managers, substantive principals, major shareholders and subordinate companies with a shareholding ratio of more than 10% have been determined or currently in the company's last two years and up to the date of publication. In the event of litigation, non-litigation or administrative litigation, the outcome may have a significant impact on the company's shareholders' equity or securities price:

Peng Sheng Ching, a director of the company, was accused of committing a forgery in the Republic of China in 1992. However, the case has been filed by the Taiwan Taipei District Prosecutor's Office No. 16236 for the non-prosecution of the case. Although Mr. Lin Qichun has raised an appeal later, but was dismissed by the Taiwan High Court Procuratorate's 104th Annual Speech No. 8590. Despite Lin Qichun's 2nd appeals was being dismissed by the Taipei District Court's 104 No.265. The plaintiff also filed a civil lawsuit against the director Peng Sheng Ching in the same incident. The case was judged by the Taiwan Taipei District Court's 101 No. 945 and the plaintiff was found to have lost the first instance appeal. The plaintiff then filed a second-instance appeal. The judgment (Case No.: No. 323, No. 323) was dismissed, and Lin Qichun was defeated. The plaintiff again submitted the third trial, which was already numbered by the Supreme Court in the 106th year of Taiwan Anti-Japanese No. 1028, No. 1029, No. 1030 and Taihang. No. 2319 ruled that the plaintiff's protest was dismissed. However, in the case of the plaintiff Lin Qichun's additional lawsuit in the second instance, (the case number: Taiwan High Court No. 103 No. 323), the High Court also ruled that the plaintiff's additional lawsuit was dismissed by the judgment of March 27, 2007. On October 1, 108, the Supreme Court Civil Ruling 108 Annual Anti-Taiwan No. 679 ruled that the protest was dismissed and no further appeals were allowed, and the case was closed. The result has no significant

impact on the company's shareholders' equity or securities prices.

- (3) The company's directors, supervisors, managers and major shareholders with a shareholding ratio of more than 10% have stipulated in Article 157 of the Securities Exchange Law in the last two years and up to the date of publication of the annual report and the company's current handling Situation: None.

7.6.13 Other important risks and countermeasures:

- (1) Risk of research and development of new products

The company continues to improve its research and development capabilities to maintain its market competitiveness. However, biotechnology and technology are rapidly developing, and new products still need to be certified by government agencies and field experiments. Therefore, can the company timely research results? There is still a risk of uncertainty in commercial production and acceptance in the market.

- (2) Main chemical fertilizer raw materials depend on import risks

Because Malaysia produces only a small amount of nitrogen, phosphorus and potassium, which are the main raw materials for chemical fertilizers, the raw materials are subject to imports. The import prices fluctuate due to the global economy. However, most of the orders of the company are obtained through competitive bidding. Therefore, before bidding, the company will refer to the quotation of the raw materials provided by the supplier to determine the bid price, in order to minimize the impact of the change of raw material price on the profit margin, also to control the import of raw material cost fluctuation risk effectively.

- (3) Risk of horizontal competition

Due to the high technical threshold for the production of biochemical compound fertilizer, the microbial extraction, culture, quantification and compounding technology required for biochemical compounding are not easy to obtain. The company aimed to be ahead of the same industry competitors, thus, continuously invests in research and development of microbial related technologies, simultaneously apply for related patent rights to prevent peers from entering biochemistry compound fertilizer market. On the other hand, the company continues to develop new products to maintain competitive advantage and market share.

- (4) Ten-year tax exemption does not meet the risk of recourse and maturity

Subsidiary ACI obtained the ten-year tax exemption for Malaysian Biotechnology Corporation Sdn. Bhd. (hereinafter referred to as BNX) in March 2008. However, due to insufficient number of knowledge workers in 2008, it was inconsistent with the regulations of the competent authorities. Nevertheless, after the company applied to BNX in 2009 and obtained the consent to adjust the conditions of the knowledge workers, the company has

been reviewed by the competent authorities every year so far, except for the case of non-conformity in 2008.

After consulting the lawyers and taking the relevant authorities' correspondence, BNX has issued an evaluation letter to the company in 2009 to inform that despite the company is not eligible due to case of non-conformity in 2008, however, considering the business model of the company, it agreed to reduce the proportion, and the company has been awarded with 10 years tax exemption. Since 2009 to 2013, the company has passed the BNX tax exemption qualification evaluation. In addition, due to the company's good compliance record, BNX advised that the company only required to report online in 2014 and 2015. The tax exemption is expected to expire in March 2018, and the preferential income tax rate of 20% will be applied to the company's business-related net profits in the next 10 years after the expiration of the original credit period. However, since it has not been approved by the Ministry of Finance of Malaysia, the subsidiary ACI needs to declare income tax at the original tax rate, and the company applies a tax rate of 24%.

In summary, despite the company was disqualified from the 10-year tax exemption previously. The risk of recourse to unqualified taxes is still low and should not have a material adverse effect on the Company.

(4) Information security risk

In order to implement information security management, the company's IT department draws up a work plan and strictly implements it; then the auditors regularly audit and review information security inspection operations. The company has built a firewall, spam filtering, anti-virus software and external storage device insertion control to prevent Intranet security such as hosts and databases can be protected to reduce the risk of malware infection and attacks. In addition, for important operations system, make regular automatic backups to ensure data integrity and security, and reduce system damage caused by natural disasters and human errors without warning risk of interruption and data loss. For network security, for virus programs such as phishing, espionage, and extortion, through regularly update the virus pattern and the version of the house wall system to prevent hackers and virus intrusions and ensure the normal operation of the information system.

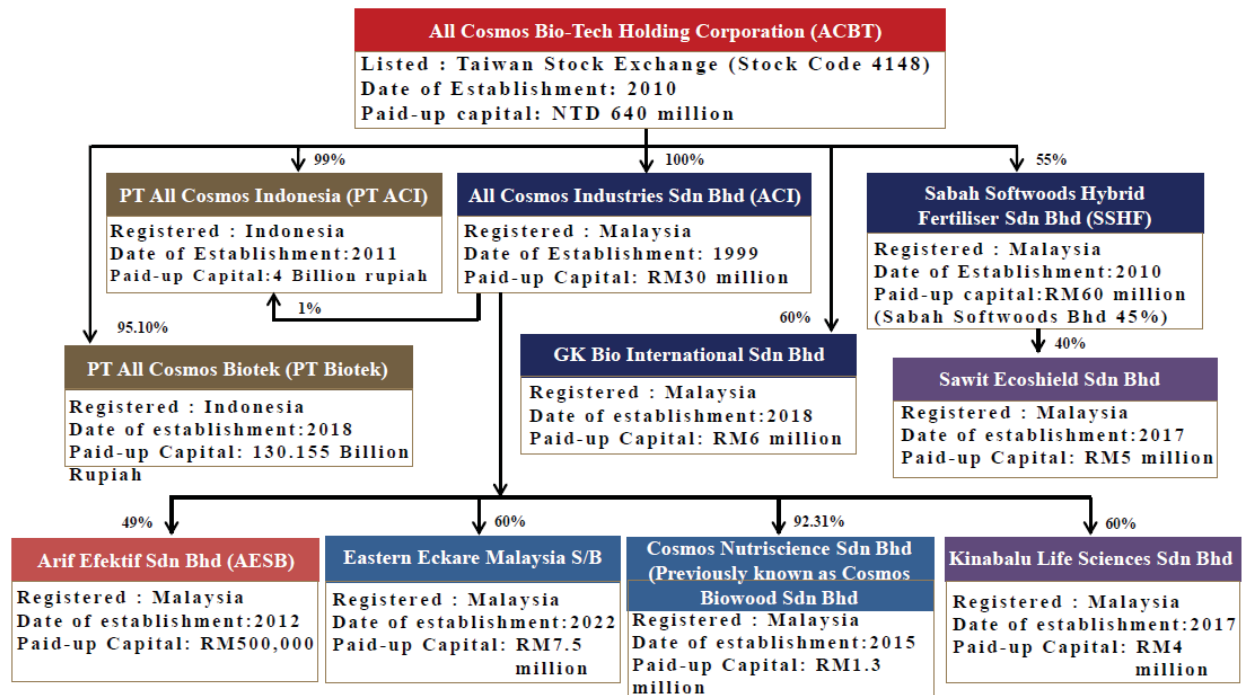
7.7 Other important matters: None

8.0: Special Records

8.1 Information about the affiliate companies:

8.1.1 Overview of affiliate companies

(1) Organization chart



(2) Name of each company, date of establishment, address, amount of paid-in capital, main business items

Unit : in Thousand

Company Name	Date of establishment	Address	Paid-up capital	Main business activities or Production items
All Cosmos Industries Sdn. Bhd.	Jul, 1999	PLO 650, Jalan Keluli 7, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor, Malaysia.	RM 30,000	manufacturing and sales of biochemical compound fertilizer products
Sabah Softwoods Hybrid Fertiliser Sdn Bhd	Nov, 2010	Lot 50 & 51, Phase 2, Jalan Tengah Nipah, 5.5Km, 91100 Lahad Datu, Sabah.	RM 60,000	Manufacturing and sales of biochemical compound fertilizer products
PT All Cosmos Indonesia	Aug, 2011	Ira Building Jl. Cactus Raya Blok J No.1 Komp. Perumahan Taman Setia Budi Indah Medan - 20131, Sumatera Utara - Indonesia	RP 4,000,000	Sales of biochemical compound fertilizer products
Arif Efektif Sdn. Bhd	Apr, 2012	PLO 539, Jalan Keluli, Pasir Gudang Industrial Estate, 81700 Pasir Gudang, Johor, Malaysia.	RM 500	Research and production of microorganisms into biochemical organic

				high-performance compound fertilizer
Cosmos Nutriscience Sdn Bhd (formerly known as Cosmos Biowood Sdn. Bhd.)	Oct, 2015	12A, Jalan Dedap 17, Taman Johor Jaya, 81100 Johor Bahru, Johor, Malaysia.	RM 1,300	Medical and health food manufacturing and sales and biotechnology research
Kinabalu Life Sciences Sdn. Bhd.	Dec, 2017	Lot B12, Phase 1C, Portcity@POIC, KM5, Jalan Tengah Nipah, 91100 Lahad Daty, Sabah	RM 4,000	Research and production of microorganisms into oil palm waste treatment
Sawit Ecoshield Sdn. Bhd.	Nov, 2017	Jalan Kelapa Sawit, Off KM 4, Jalan Tuaran, 88300 Kota Kinabalu, Sabah, Malaysia.	RM 5,000	Manufacturing and sales of biological vaccines
PT All Cosmos Biotek	Aug, 2018	Jl. Biodiesel Kav., B-9, KEK Sei Mangkei, Bosar Maligas, Simalungun, Sumatera Utara, 21183 Indonesia.	RP 130,155,000	Manufacturing and sales of biochemical compound fertilizer products
GK Bio International Sdn. Bhd.	Oct, 2018	43-G, Jalan PJU 5/21, THE STRAND, Kota Damansara, 47810 Petaling Jaya, Selangor, Malaysia.	RM 6,000	Wholesale of Probiotics
Eastern Eckare Malaysia Sdn. Bhd.	Aug, 2022	BO1-B-13, Boutique Offices 1, Menara 2, KL Eco City, No. 3, Jalan Bangsar, 59200 Kuala Lumpur, W.P., Malaysia.	RM 7,500	Sales of health care food and cosmetic care products

(3) Presumed to be the same shareholder information for those with control and affiliation:
None

(4) Relationship between the company and the related company, mutual shareholding ratio, share and actual investment amount

March 31, 2024

Name	Relationship	The company holds at the end of the period			Holding the company		
		Shareholding proportion	Shares Holding	Investment Amount	Ratio	Unit Share	Investment Amount
All Cosmos Industries Sdn. Bhd.	Subsidiary company	100%	30,000,000	RM 30,000,000	—	—	—
Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	Subsidiary company	55%	33,000,000	RM 33,000,000	—	—	—
PT All Cosmos Indonesia	Subsidiary company	100%	80,000	Rp. 4,000,000,000	—	—	—
PT All Cosmos Biotek	Subsidiary company	83.47%	108,640	Rp. 108,640,000,000	—	—	—
Arif Efektif Sdn. Bhd.	2nd Tier Subsidiary company	49%	245,000	RM 245,000	—	—	—
Kinabalu Life Sciences Sdn. Bhd.	2nd Tier Subsidiary company	60%	2,400,000	RM 2,400,000	—	—	—
Cosmos Biowood Sdn.	2nd Tier	92.31%	1,200,000	RM 1,200,000	—	—	—

Bhd.	Subsidiary company						
GK Bio International Sdn. Bhd.	Subsidiary company	60%	3,600,000	RM 3,600,000	—	—	—
Eastern Eckare Malaysia Sdn. Bhd.	Related company	60%	4,500,000	RM 4,500,000	—	—	—
Sawit Ecoshield Sdn. Bhd.	Related company	40%	2,000,000	RM 2,000,000	—	—	—

8.1.2 Operation overview

Overview of the operations of various related companies

As at December 31,2023. Unit : in Thousand

Company Name	Paid-up capital	Total assets	Total debt	Net worth	Current operating income	Current business profit	Current profit and loss (after tax)	Earnings per share (yuan) (after tax)
All Cosmos Industries Sdn. Bhd.	RM 30,000	RM288,761	RM 20,808	RM 267,953	RM 239,428	RM 962	RM 8,035	RM 0.27
Sabah Softwoods Hybrid Fertiliser Sdn Bhd	RM 60,000	RM 141,544	RM 15,895	RM 125,650	RM 120,821	RM 8,217	RM 8,280	RM 0.14
PT All Cosmos Biotek	RP 130,155,000	RP 139,393,346	RP 11,676,969	RP 127,716,377	RP -	RP (2,740,462)	RP (2,116,119)	RP (16,258)
PT All Cosmos Indonesia	RP 4,000,000	RP 86,718,050	RP 43,068,404	RP 43,649,646	RP 143,939,190	RP 10,340,185	RP 17,742,757	RP 221,784
Arif Efektif Sdn. Bhd	RM 500	RM 15,516	RM 3,297	RM 12,219	RM 7,279	RM 863	RM 573	RM 1.15
Kinabalu Life Sciences Sdn. Bhd.	RM 4,000	RM 5,312	RM 479	RM 4,833	RM 1,830	RM 116	RM 38	RM 0.01
Cosmos Biowood Sdn. Bhd.	RM 1,300	RM 437	RM 8	RM 429	RM -	RM (6)	RM (20)	RM (0.02)
GK Bio International Sdn. Bhd.	RM 6,000	RM 30,446	RM 6,362	RM 24,084	RM 28,012	RM 11,372	RM 8,663	RM 1.44
Sawit Ecoshield Sdn. Bhd.	RM 5,000	RM 12,920	RM 5,283	RM 7,637	RM 12,215	RM 2,717	RM 1,755	RM 0.35

Company Name	Paid-up capital	Total assets	Total debt	Net worth	Current operating income	Current business profit	Current profit and loss (after tax)	Earnings per share (yuan) (after tax)
Eastern Eckare Malaysia Sdn Bhd	RM 7,500	RM 8,833	RM 1,586	RM 7,247	RM 6,755	RM (72)	RM 82	RM 0.01

Note: Exchange rate:

Balance sheet: (1) USD/NTD=31.478427 (2)RM/NTD: 6.697538 (3)RP/NTD: 0.001996

Income statement: (1) USD/NTD=31.159952 (2)RM/NTD: 6.829155 (3)RP/NTD 0.002046

8.2 Private placements of securities in the most recent year and as of the publish date of the annual report : None.

8.3 Shares of the Company that are held or disposed by a subsidiary in the most recent year and as of the published ate of the annual report: None.

8.4 Other necessary descriptions: None.

8.5 Significant impact on shareholders' equity or securities prices matter incurred as per Article 36-2-2 of the Securities Exchange Law: None.

8.6 A statement of significant differences with the provisions of the shareholders' rights and interests of the Republic of China:

Due to the slight inconsistency between the British Cayman Islands Act and the Republic of China Act, the Taiwan Stock Exchange Co., Ltd. announced the “Registration Form for the Protection of Shareholders’ Rights of Foreign Issuer Registration Countries” (hereinafter referred to as “Shareholders’ Rights Protection Matters”).) The following list shows the differences between the Company's current Articles of Association (the “Articles of Association”) and the protection of shareholders' interests due to the provisions of the British Cayman Islands Act, and the Articles of Association of the Company provisions.

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
If a company buys its own shares and transfers it to employees, it may limit the employees from transferring within a certain period of time. However, the period may not exceed two years.	The treasury shares are subject to the terms and conditions of the company directors; the Cayman Company Law does not have provisions for employee reward programs.	According to Article 1 of the Articles of Association, Treasury Shares are shares issued in accordance with the Articles of Association, the Cayman Companies Act and the Listing Rules Act, which are bought back, redeemed or otherwise obtained by the company and have not been cancelled; This provision is set out in section 40D of the company's articles of association; however, according to Cayman's lawyers, the

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
		restrictions on the transfer are between the company and the employee's contractual relationship (the restrictions agreed between the company and the employee is a contractual matter between themselves.)
5. The following matters shall be listed and explained in the convening of the shareholders' meeting, and shall not be proposed by a provisional motion: (1) Appointing or dismissing directors or supervisors; (2) Change the charter; (3) Dissolution, merger, share conversion, and division of the company; (4) conclude, change or terminate a contract for the lease of all business, entrusted operations or joint operations with others; (5) to transfer all or a major part of the business or property; (6) Transferring all business or property to others, which has a significant impact on the operation of the company; (7) Private placement of securities of an equity nature; (8) The director is engaged in the licensing of non-competition activities; (9) Distribution of one or all dividends by way of	Regarding 5. The Cayman Company Law has no special provisions for the provisional motion. According to Cayman's lawyers, regarding the provisional motion, the notice of the shareholders' meeting must clearly state the content of the meeting and provide relevant information for the shareholders; however, in the notice of the shareholders' meeting, the "any other subject" agenda is usually added. Usually have an informal or insignificant nature, the chairman should not add any important events into this agenda; if there are any important matters, the meeting should be convened to discuss the resolution according to the procedure; if the matter is urgent, it must be discussed in the next shareholders meeting, which agenda will be proposed and ratified in the next meeting.	The Cayman Company Law has no special provisions for the provisional motion; therefore, the item 5 is stipulated in Article 50 of the Articles of Association. According to Cayman's lawyers, regarding the provisional motion, the notice of the shareholders' meeting must clearly state the agenda of the meeting and provide relevant information for the shareholders; however, in the notice of the shareholders' meeting, the "any other subject" agenda is usually added. Usually have an informal or insignificant nature, the chairman should not add any important events into this agenda; if there are any important matters, the meeting should be convened to discuss the resolution according to the procedure; if the matter is urgent, it must be discussed in the next shareholders meeting, which agenda will be proposed and ratified in the next meeting.

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
issuing new shares; (10) The statutory surplus reserve and the capital reserve due to the issuance of shares or the incentive of the shares, and the distribution of new shares to the original shareholder		
3. When the company exercises its voting rights in writing or electronically, its method of exercise shall be stated in the notice convened by the shareholders' meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to be present in person at the shareholders' meeting. However, the provisional motion of the shareholders meeting and the amendment of the original motion are deemed to be waived.	According to the opinion of the British Cayman Islands lawyers, the chairman of the shareholders' meeting will be entrusted to vote on behalf of the shareholders whom voted in the form of writing.	The Cayman Company Law does not specifically stipulate the content of the preceding paragraph of Article 3. Therefore, the first paragraph of Article 3 is stipulated in Article 68 of the Articles of Association. According to the opinion of Cayman Lawyers, Shareholders who exercise their voting rights are deemed to have entrusted the chairman of the shareholders' meeting to vote on behalf on the basis of the instructions in the written or electronic. In consideration of Cayman's lawyer's opinion, the third paragraph shall be stipulated in Article 68 of the Articles of Association (that is, the shareholders who exercise the voting rights in writing or electronically shall be deemed to have entrusted the chairman of the shareholders' meeting to act on behalf in the shareholders' meeting in accordance with the instructions in the written or electronic documents. Its voting rights, but the temporary motion of the shareholders meeting and the amendment of the original motion are deemed to be waived, but the above-mentioned entrustment shall be deemed not to constitute the principal of the listing cabinet law.
5. After the shareholder has exercised the voting right in writing or electronically, if he	According to the opinion of the British Cayman Islands lawyers, the chairman of the shareholders' meeting will	The Cayman Company Law does not specifically stipulate the content of item 5; therefore, the item 5 is stipulated in Article 70 of the

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
wishes to attend the shareholders' meeting in person, he shall revoke the initial exercise of voting rights in the preceding paragraph two days before the shareholders' meeting; the overdue revocation shall be in writing or electronically. The voting right of the mode of exercise shall prevail	be entrusted to vote on behalf of the shareholders whom voted in the form of writing.	Articles of Association. According to Cayman's lawyer, under the Common Law, the principal can revoke its proxy by attending the meeting in person, due to written or electronic Shareholders who exercise their voting rights are deemed to have entrusted the chairman of the shareholders' meeting to vote on behalf on the basis of the instructions in the written or electronic documents. Therefore, the item 5 may not be enforceable (not enforceable).
4. After the power of attorney has been served on the company, the shareholder who wishes to attend the shareholders' meeting in person or wishes to exercise his or her voting rights in writing or electronically; shall notify the company in writing of the cancellation of the entrustment two days before the shareholders' meeting; Any delay in cancellation of entrustment is subject to Proxy voting rights.	The Cayman Company Law has no special provisions for the power of attorney or collection of powers.	The Cayman Company Law has no special provisions for the power of attorney or the collection of powers of attorney; therefore, the fourth item is specified in Article 62B of the Articles of Association. According to Cayman's lawyer, under the Common Law, the principal can revoke its proxy by attending the meeting in person, thus, the item 4 may not be enforceable.
The following resolutions relating to the interests of shareholders shall be attended by more than two-thirds of the total number of shareholders who have issued shares, and more than half of them shall agree to the voting rights of the shareholders. If the total number of shares of the attending shareholders is less than the above-mentioned	Regarding 1., 4., and 5. (Segmentation), there are no special requirements or prohibitions in the Cayman Company Law. With regard to 2. and 3., Article 24 of the Cayman Companies Act stipulates that any changes to the Bylaws shall be subject to a special resolution. Regarding 5 (dissolved part). Article 116 of the Cayman Company Law	(1) The Cayman Company Law does not specifically require or prohibit the division of paragraphs 1, 4 and 5; therefore, the divisions of paragraphs 1, 4 and 5 are separately specified in the company. Article 32(a)(b)(c)(d)(g) of the Bylaws must be adopted by a special resolution of the shareholders' meeting (i.e. "Supermajority Resolution Type A" or "Type B Special Resolution" (Supermajority Resolution Type

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
quota, it is allowed to attend by proxy as long as the attendance are more than half of the total number of shareholders who have issued shares and to attend more than two-thirds of the voting rights of the shareholders: 1. The company concludes, alters or terminates the contract for the lease of all business, entrusted operations or co-operation with others, the transfer of all or a major part of the business or property, the transfer of all business or property of others, which has a significant impact on the company's operations. 2. Change charter 3. If the change of the articles of association will caused damage to the special shareholders, a special shareholder resolution meeting is required. 4. Distribution of one or all dividends by way of issuing new shares 5. Resolution of dissolution, merger or division	stipulates that the company shall voluntarily dissolve by special resolution, and if it is unable to pay off the debt and voluntarily dissolve it, it shall be passed by the shareholders' meeting (the company In general meeting resolves...), Cayman's lawyers believe that the aforementioned resolutions of the shareholders' meeting can be resolved by ordinary resolutions, special resolutions or higher resolutions as stipulated in the company's articles of association. Ordinary Resolution can be passed. In addition, regarding 5 (merger), according to Cayman's lawyer, Section 233(6) of the Cayman Company Law is subject to special resolution. If there are other resolutions in the company's articles of association, it shall be handled in accordance with the company's articles of association.	B) (as defined above) (2) According to Article 24 of the Cayman Company Law, any change in the company's articles of association must be subject to a special resolution of the shareholders' meeting; therefore, paragraph 2 is stipulated in Article 157 of the Articles of Association, that is, the company may have a special resolution at any time (Special Resolution) Change Memorandum and/or Bylaws. The shareholders' meeting will be in accordance with Article 51 of the Articles of Association (that is, the voting shareholders who represent more than half of the total number of issued shares will be present in person or by proxy) (3) According to Article 24 of the Cayman Company Law, any change in the company's articles of association must be subject to a special resolution of the shareholders' meeting approval; therefore, paragraph 3 shall be stipulated in Article 18 of the Articles of Association, that is, if the company's articles of association are changed. The matters of the rights of the special shareholders shall be subject to the Special Resolution by the Special Shareholders' Meeting, in addition to the Special Resolution. The shareholders' meeting will be in accordance with Article 51 of the Articles of Association (that is, the voting shareholders who represent more than half of the total number of issued shares will be present in person or by proxy) (4) Regarding the dissolution of paragraph 5, according to Article

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
		116 of the Cayman Company Law, the company shall voluntarily dissolve by special resolution, and if it is unsolvable, it should be passed through resolution of the shareholders' meeting (the Company in general meeting resolves...), Cayman's lawyers believe that the aforementioned resolution of the shareholders' meeting can be resolved by an Ordinary Resolution, a Special Resolution or a higher resolution as stipulated in the company's articles of association; Partially stipulated in Article 33 of the Articles of Association, in which if the company voluntarily disbands due to the inability to pay off the debts as scheduled, it should be approved by the shareholders meeting with a special resolution (i.e. "Supermajority Resolution Type A" or "Type B Special Resolution". (Supermajority Resolution Type B) (as defined above) (Article 33(a)), if the company voluntarily disbands for other reasons, it shall be subject to a Special Resolution approval (Article 33(b) article). The shareholders' meeting will be in accordance with Article 51 of the Articles of Association (that is, the voting shareholders who represent more than half of the total number of issued shares will be present in person or by proxy). (5) Regarding the merger of paragraph 5, Cayman's lawyer stated that the merger part is subject to the special resolution approval (Special Resolution) in accordance with the provisions of Article 233(6) of the Cayman

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
		Company Law. If the company's articles of association have other resolutions, it is handled in accordance with the provisions of the company's articles of association; therefore, the merger of the fifth paragraph is stipulated in Article 31(c) of the Articles of Association. The shareholders' meeting will be in accordance with Article 51 of the Articles of Association (that is, the voting shareholders who represent more than half of the total number of issued shares will be present in person or by proxy)
Supervisor regulations	The Cayman Company Act has no special rules for supervisors.	As the company did not set up a supervisor, the charter was not amended.
1. Shareholders who hold more than three percent of the total number of issued shares of the company for more than one year may request the supervisor to file a lawsuit against the company through the Taipei District Court of Taiwan as first administer court. 2. Within 30 days after the shareholder made the request, when the supervisor did not file a lawsuit, the shareholder may file a lawsuit against the company and the Taipei District Court of Taiwan shall be the first administer court.	There are no special requirements or prohibitions in the charter of the Cayman company. According to Cayman law, in the event of a shareholder filed a lawsuit on behalf of a company is: (A) the act is illegal or exceeds the scope of the company's jurisdiction and cannot be ratified by the shareholders; or (B) the act constitutes a fraud against the minority shareholder (i.e. The personnel of seeking relief in the lawsuit is the major shareholder, and the major shareholder will not allow the company to let the plaintiff seek relief in the lawsuit. If the lawsuit is filed on the grounds of this paragraph, it is necessary to prove the case of fraud and the person engaged in the wrongful act. The company has authority).	There are no special requirements or prohibitions in the charter of the Cayman company, and the company does not set up the supervisor, but the audit committees are set up; refer to the letter of the Board of Directors on July 27, 101, Taiwan letter No. 1011702189 The independent directors replaced the supervisors, so the contents of items 1 and 2 regarding the supervisors were replaced by independent board members of the audit committee, which was stipulated in Article 123 under the Articles of Association, that is, courts with jurisdiction (including Taipei, Taiwan) The District Court, if applicable, is the court of jurisdiction; another Cayman lawyer stated that Article 123 under the Articles of Association must comply with Cayman law. According to Cayman law, if the director believes that the lawsuit is not of interest to the company, the director is not liable for those shareholders who hold more than 3% of the shares to file a lawsuit against

Differences with the provisions on matters of protection of shareholders' rights and interests	British Cayman Islands Act and Description	Articles of Association and Description
	Cayman's courts tend to not interfere with the company's internal behavior when the conduct within the company's jurisdiction, or beyond the scope of authority, which can be ratified by shareholders and in accordance with the will of the majority shareholder.	other directors.
1. The directors of the company shall manage the business with honesty and integrity. If there is any violation of the company interest, who should be liable for the damage. If the act is committed by itself or by others, the shareholder reserved the rights to decide on the proceeds of the act as the company's income. 2. The director of the company acts on the execution of the company's operation, if there is any violation of the law and causes damage to others, the company shall be liable for compensation. 3. The manager and supervisor of the company shall be responsible for the same liability as the directors of the company within the scope of their duties.	According to the Cayman Company Law, directors have fiduciary duties on the company. If there is any breach of such obligations, the court shall hold the director's liability for compensation; if it is a breach of trust obligations for him or others on self-beneficial, the court shall decide to return such benefits. According to Cayman law, the director causes damage to a third party during the company's execution of the business operation. The third party may claim damages from the company, despite the company may request the director for the same liability of compensation to the third party under the joint and several liability terms. From the perspective of Cayman law, the third party is unable to make direct claim to the director.	As per Cayman's lawyers opinion (see the left column), the contents of items 1., 2. and 3. are stated in Article 97B of the Articles of Association; However, Cayman's lawyers stated that although the company's articles of association stipulate directors and companies Joint and several liability, from the Cayman legal point of view, the third party still unable to claim directly from the director.

**All Cosmos Bio-Tech Holding Corporation
and Subsidiaries**

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

Address: One Nexus Way Camana Bay, Grand
Cayman, KY1-9005 Cayman Islands

Telephone: (607)252-3788

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
All Cosmos Bio-Tech Holding Corporation

Opinion

We have audited the accompanying consolidated financial statements of All Cosmos Bio-Tech Holding Corporation (the “Company”) and its subsidiaries (collectively referred to as the “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 notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of 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 Group 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 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.

The key audit matters identified in the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

Occurrence of Sales Revenue from Major Customers

The Group's sales revenue from major customers for the year ended December 31, 2023, was NT\$1,793,370 thousand, representing 63% of the total sales revenue. The Group's revenue mainly comes from major customers with significant transactions. Sales revenue from some of these major customers increased significantly compared to the previous year. Considering the higher inherent risk in revenue recognition and its significant impact on the Group's financial statements, we identified the occurrence of sales revenue from the aforementioned major customers as the key audit matter.

Refer to Notes 4 (n) and 23 to the consolidated financial statements for details on the accounting policy and relevant disclosures on revenue recognition.

The main audit procedures that we performed in respect of sales revenue from major customers included the following:

1. We obtained an understanding of the Group's internal control and operating procedures of the sales cycle, and we designed the corresponding audit procedures and tested the effectiveness of the internal controls associated with the risk mentioned above.
2. We performed substantive tests on sales revenue, selected samples from the general ledger of sales revenue, and checked the records against external supporting documents and documents of receivables to verify the occurrence of sales.

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 the Group 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 the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of 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 Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group'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 the 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 entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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 audits resulting in this independent auditors' report are Chiang-Hsun Chen and Sheng-Tai Liang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 14, 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.

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,458,863	40	\$ 1,341,510	33
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	41,071	1	4	-
Financial assets at amortized cost - current (Notes 4, 8 and 33)	157,095	4	126,681	3
Trade receivables, net (Notes 4, 9 and 23)	406,014	11	641,279	16
Trade receivables from related parties (Notes 4, 23 and 32)	37,595	1	57,369	1
Other receivables (Notes 4 and 9)	3,706	-	2,548	-
Other receivables from related parties (Notes 4 and 32)	6,698	-	11,386	-
Current tax assets (Notes 4 and 25)	50,667	2	15,296	-
Inventories (Notes 4 and 10)	591,062	16	1,104,223	27
Prepayments (Note 17)	65,212	2	65,307	2
Other current assets (Note 17)	395	-	1,278	-
Total current assets	<u>2,818,378</u>	<u>77</u>	<u>3,366,881</u>	<u>82</u>
NON-CURRENT ASSETS				
Investments accounted for using the equity method (Notes 4 and 12)	22,343	1	30,164	1
Property, plant and equipment (Notes 4, 13 and 33)	641,159	17	519,411	13
Right-of-use assets (Notes 4, 14 and 33)	154,162	4	154,697	4
Goodwill (Notes 4 and 15)	1,108	-	364	-
Other intangible assets (Notes 4 and 16)	9,072	-	479	-
Deferred tax assets (Notes 4 and 25)	10,737	-	13,899	-
Other non-current assets (Note 17)	16,776	1	25,484	-
Total non-current assets	<u>855,357</u>	<u>23</u>	<u>744,498</u>	<u>18</u>
TOTAL	<u>\$ 3,673,735</u>	<u>100</u>	<u>\$ 4,111,379</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 33)	\$ -	-	\$ 394,475	10
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 19)	19,500	-	8,950	-
Contract liabilities - current (Notes 4 and 23)	907	-	6,006	-
Trade payables	108,530	3	76,022	2
Trade payables to related parties (Note 32)	22,429	1	7,895	-
Other payables (Note 20)	95,794	3	117,875	3
Other payables to related parties (Note 32)	10,862	-	-	-
Current tax liabilities (Notes 4 and 25)	18,266	-	57,577	1
Lease liabilities - current (Notes 4 and 14)	4,760	-	2,307	-
Current portion of long-term borrowings (Notes 18, 19 and 33)	508,446	14	9,859	-
Other current liabilities (Note 20)	751	-	806	-
Total current liabilities	<u>790,245</u>	<u>21</u>	<u>681,772</u>	<u>16</u>
NON-CURRENT LIABILITIES				
Bonds payable (Notes 4 and 19)	-	-	497,774	12
Long-term borrowings (Notes 18 and 33)	24,800	1	36,047	1
Deferred tax liabilities (Notes 4 and 25)	38,743	1	30,575	1
Lease liabilities - non-current (Notes 4 and 14)	5,084	-	2,002	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	669	-	-	-
Total non-current liabilities	<u>69,296</u>	<u>2</u>	<u>566,398</u>	<u>14</u>
Total liabilities	<u>859,541</u>	<u>23</u>	<u>1,248,170</u>	<u>30</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4 and 22)				
Share capital				
Ordinary shares	640,340	18	640,340	16
Capital surplus	781,838	21	781,838	19
Retained earnings				
Legal reserve	231,923	6	195,237	5
Special reserve	422,189	12	527,952	13
Unappropriated earnings	690,096	19	643,755	15
Total retained earnings	1,344,208	37	1,366,944	33
Other equity	(512,043)	(14)	(422,189)	(10)
Total equity attributable to owners of the Company	2,254,343	62	2,366,933	58
NON-CONTROLLING INTERESTS (Note 22)	559,851	15	496,276	12
Total equity	<u>2,814,194</u>	<u>77</u>	<u>2,863,209</u>	<u>70</u>
TOTAL	<u>\$ 3,673,735</u>	<u>100</u>	<u>\$ 4,111,379</u>	<u>100</u>

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

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 23 and 32)				
Sales	\$ 2,826,587	100	\$ 3,702,330	100
OPERATING COSTS (Notes 10, 24 and 32)				
Cost of goods sold	<u>(2,238,608)</u>	<u>(79)</u>	<u>(2,564,754)</u>	<u>(69)</u>
GROSS PROFIT	<u>587,979</u>	<u>21</u>	<u>1,137,576</u>	<u>31</u>
OPERATING EXPENSES (Notes 24 and 32)				
Selling and marketing expenses	(160,186)	(6)	(246,451)	(7)
General and administrative expenses	(236,166)	(8)	(229,117)	(6)
Research and development expenses	(3,731)	-	(2,277)	-
Expected credit gain (Notes 9 and 32)	<u>1,999</u>	<u>-</u>	<u>7,261</u>	<u>-</u>
Total operating expenses	<u>(398,084)</u>	<u>(14)</u>	<u>(470,584)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>189,895</u>	<u>7</u>	<u>666,992</u>	<u>18</u>
NON-OPERATING INCOME AND EXPENSES (Notes 4, 24 and 32)				
Interest income	30,417	1	11,487	-
Other income	4,944	-	16,996	-
Other gains and losses	31,012	1	(44,647)	(1)
Finance costs	(3,983)	-	(18,810)	-
Share of profit of associates (Note 12)	<u>5,345</u>	<u>-</u>	<u>1,932</u>	<u>-</u>
Total non-operating income and expenses	<u>67,735</u>	<u>2</u>	<u>(33,042)</u>	<u>(1)</u>
PROFIT BEFORE INCOME TAX	257,630	9	633,950	17
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(68,321)</u>	<u>(2)</u>	<u>(177,931)</u>	<u>(5)</u>
NET PROFIT FOR THE YEAR	<u>189,309</u>	<u>7</u>	<u>456,019</u>	<u>12</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 22 and 25)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	(71)	-	-	-
Exchange differences on translation to the presentation currency	(113,042)	(4)	132,575	4
Income tax related to items that will not be reclassified subsequently to profit or loss	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(113,097)</u>	<u>(4)</u>	<u>132,575</u>	<u>4</u>

(Continued)

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ 4,331	-	\$ (6,895)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(712)</u>	<u>-</u>	<u>1,454</u>	<u>-</u>
	<u>3,619</u>	<u>-</u>	<u>(5,441)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>(109,478)</u>	<u>(4)</u>	<u>127,134</u>	<u>4</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 79,831</u>	<u>3</u>	<u>\$ 583,153</u>	<u>16</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 139,361	5	\$ 368,204	10
Non-controlling interests	<u>49,948</u>	<u>2</u>	<u>87,815</u>	<u>2</u>
	<u>\$ 189,309</u>	<u>7</u>	<u>\$ 456,019</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 49,452	2	\$ 473,967	13
Non-controlling interests	<u>30,379</u>	<u>1</u>	<u>109,186</u>	<u>3</u>
	<u>\$ 79,831</u>	<u>3</u>	<u>\$ 583,153</u>	<u>16</u>
EARNINGS PER SHARE (Note 26)				
From continuing operations				
Basic	<u>\$ 2.18</u>		<u>\$ 5.75</u>	
Diluted	<u>\$ 2.13</u>		<u>\$ 5.65</u>	

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

(Concluded)

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Other Equity Exchange Differences on Translation of the Financial Statements of Foreign Operations	Non-controlling Interests	Total	Total Equity
	Share Capital		Retained Earnings			Unappropriated Earnings					
	Number of Shares (In Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve						
BALANCE AT JANUARY 1, 2022	64,034	\$ 640,340	\$ 781,838	\$ 175,424	\$ 397,714	\$ 523,002	\$ (527,952)	\$ 388,267	\$ 1,990,366	\$ 2,378,633	
Appropriation of 2021 earnings (Note 22)	-	-	-	19,813	-	(19,813)	-	-	-	-	
Legal reserve	-	-	-	-	130,238	(130,238)	-	-	-	-	
Special reserve	-	-	-	-	-	(96,051)	-	-	(96,051)	(96,051)	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	(10,829)	-	(10,829)	
Net profit for the year ended December 31, 2022	-	-	-	-	-	368,204	-	87,815	368,204	456,019	
Other comprehensive income for the year ended December 31, 2022, net of income tax (Note 22)	-	-	-	-	-	-	105,763	21,371	105,763	127,134	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	368,204	105,763	109,186	473,967	583,153	
Change in percentage of ownership interests in subsidiaries (Notes 22 and 27)	-	-	-	-	-	(1,349)	-	1,349	(1,349)	-	
Increases in non-controlling interests	-	-	-	-	-	-	-	8,303	-	8,303	
BALANCE AT DECEMBER 31, 2022	64,034	640,340	781,838	195,237	527,952	643,755	(422,189)	496,276	2,366,933	2,863,209	
Appropriation of 2022 earnings (Note 22)	-	-	-	36,686	-	(36,686)	-	-	-	-	
Legal reserve	-	-	-	-	(105,763)	105,763	-	-	-	-	
Special reserve	-	-	-	-	-	(160,085)	-	-	(160,085)	(160,085)	
Cash dividends distributed by the Company	-	-	-	-	-	-	-	-	-	-	
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	(20,360)	-	(20,360)	
Net profit for the year ended December 31, 2023	-	-	-	-	-	139,361	-	49,948	139,361	189,309	
Other comprehensive loss for the year ended December 31, 2023, net of income tax (Note 22)	-	-	-	-	-	(55)	(89,854)	(19,569)	(89,909)	(109,478)	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	139,306	(89,854)	30,379	49,452	79,831	
Increases in non-controlling interests (Note 22)	-	-	-	-	-	-	-	32,490	-	32,490	
Increases in non-controlling interest by subsidiaries acquisition (Notes 22 and 27)	-	-	-	-	-	-	-	19,109	-	19,109	
Change in percentage of ownership interests in subsidiaries (Notes 22 and 28)	-	-	-	-	-	(1,957)	-	1,957	(1,957)	-	
BALANCE AT DECEMBER 31, 2023	64,034	\$ 640,340	\$ 781,838	\$ 231,923	\$ 422,189	\$ 690,096	\$ (512,043)	\$ 559,851	\$ 2,254,343	\$ 2,814,194	

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

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 257,630	\$ 633,950
Adjustments for:		
Depreciation expense	48,410	48,494
Amortization expense	737	518
Expected credit loss reversed on trade receivables	(1,999)	(7,261)
Net gain on fair value change of financial assets/liabilities at fair value through profit or loss	7,808	2,749
Finance costs	3,983	18,810
Interest income	(30,417)	(11,487)
Share of profit of associates	(5,345)	(1,932)
Loss on disposal of property, plant and equipment	418	29
Write-downs of inventories	-	34,661
Unrealized gain on foreign exchange	(14,136)	(1,805)
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	374	2,855
Trade receivables	231,330	(239,733)
Trade receivables from related parties	17,663	4,848
Other receivables	257	1,401
Inventories	537,702	(250,480)
Prepayments	(1,625)	7,835
Contract liabilities	(4,970)	(1,348)
Trade payables	33,604	(19,650)
Trade payables to related parties	14,372	(2,051)
Other payables	(32,610)	(1,635)
Other payables to related parties	12	-
Other current liabilities	(16)	(422)
Net defined benefit liabilities	615	-
Cash generated from operations	1,063,797	218,346
Interest received	29,160	11,443
Interest paid	(3,168)	(19,307)
Income tax paid	(130,546)	(166,639)
Net cash generated from operating activities	959,243	43,843
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at amortized cost	(70,194)	(36,955)
Proceeds from sale of financial assets at amortized cost	34,126	70,928
Purchase of financial assets at fair value through profit or loss	(40,971)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	35,795
Purchase of long-term equity investment using the equity method	-	(13,501)
Purchase of subsidiaries	29,638	-
Payments for property, plant and equipment	(155,472)	(57,125)

(Continued)

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

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

	2023	2022
Proceeds from disposal of property, plant and equipment	\$ 328	\$ -
Increase in refundable deposits	-	(2,773)
Decrease in refundable deposits	3,405	12
Decrease in other receivables from related parties	4,112	2,685
Payments for intangible assets	(673)	(97)
Increase in prepayment for equipment	<u>(7,278)</u>	<u>(3,637)</u>
Net cash used in investing activities	<u>(202,979)</u>	<u>(4,668)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	1,330,074
Repayments of short-term borrowings	(386,482)	(1,279,321)
Proceeds from issuance of convertible bonds	-	507,500
Payments for transaction costs attributable to the issue of convertible bonds	-	(5,650)
Proceeds from long-term borrowings	-	50,805
Repayments of long-term borrowings	(9,635)	(8,225)
Proceeds from guarantee deposits received	286	-
Refund of guarantee deposits received	-	(4,064)
Repayment of the principal portion of lease liabilities	(6,096)	(2,153)
Dividends paid to owners of the Company	(160,085)	(96,051)
Changes in non-controlling interests	32,490	8,303
Dividends paid to non-controlling interests	<u>(20,360)</u>	<u>(10,829)</u>
Net cash (used in) generated from financing activities	<u>(549,882)</u>	<u>490,389</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(89,029)</u>	<u>71,507</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	117,353	601,071
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,341,510</u>	<u>740,439</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,458,863</u>	<u>\$ 1,341,510</u>

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

(Concluded)

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

All Cosmos Bio-Tech Holding Corporation (the “Company”) is a limited company incorporated in the Cayman Islands on March 26, 2010. The Company and its subsidiaries (collectively referred to as the “Group”) have reorganized in order to list the Company’s shares on the Taiwan Stock Exchange. On June 1, 2010, the Company issued new shares for 100% equity interest in All Cosmos Industries Sdn. Bhd. and completed the Group’s investment process. The major operating activities of the Group are the production and sale of Bio-organic and Bio-chemical compound fertilizers.

The Company’s shares have been listed on the Taiwan Stock Exchange since June 2017.

The functional currency of the Company is the Malaysian Ringgit. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 14, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by International Accounting Standards Board (IASB) (Note 1)
Amendments to IFRS 16 “Leases 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)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

For the convenience of readers, 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 consolidated financial statements shall prevail.

- a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuer and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

- b. Basis of preparation

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

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Refer to Note 11 and Table 7 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Group's previously held equity interest in an acquiree is remeasured to fair value at the acquisition date, and the resulting gain or loss is recognized in profit or loss.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the financial statements, the financial statements of the Company and its foreign operations (including subsidiaries and associates) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate). The exchange differences accumulated in equity, which resulted from the translation of the assets and liabilities of the entities in the Group from functional currencies to the presentation currency, are not subsequently reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials, merchandise, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the standard cost and adjusted thereafter to weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized on goodwill is not reversed in subsequent periods.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use assets and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

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

m. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss (i.e., FVTPL) are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL and financial assets at amortized cost.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 31 "Financial Instruments".

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

- ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

- i) Significant financial difficulty of the issuer or the borrower;
- ii) Breach of contract, such as a default;
- iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses (ECLs) on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime ECLs for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information show that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 270 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities held by the Group are held for trading. Financial liabilities held for trading are stated at fair value, and any interest paid on such financial liabilities is recognized in finance costs; any remeasurement gains and losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 31.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3) Convertible bonds

The conversion option component of the convertible bonds issued by the Group, which will be settled other than by the exchange of a fixed amount of cash or other financial assets for a fixed number of the Company's own equity instruments, is classified as a derivative financial liability.

On initial recognition, the derivative financial liability component of the convertible bonds is recognized at fair value, and the initial carrying amount of the non-derivative financial liability component is determined by deducting the amount of the derivative financial liability component from the fair value of the hybrid instrument as a whole. In subsequent periods, the non-derivative financial liability component of the convertible bonds is measured at amortized cost using the effective interest method. The derivative financial liability component is measured at fair value, and the changes in fair value are recognized in profit or loss. Transaction costs that relate to the issuance of the convertible notes are allocated to the derivative financial liability component and the non-derivative financial liability component in proportion to their relative fair values. Transaction costs relating to the derivative financial liability component are recognized immediately in profit or loss. Transaction costs relating to the non-derivative financial liability component are included in the carrying amount of the liability component.

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from the sale of goods

Revenue from the sale of goods comes from sales of Bio-organic and Bio-chemical fertilizers. Sales of fertilizers are recognized as revenue when the goods are delivered and shipped to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods and bears the risks of obsolescence. Trade receivables are recognized currently. The transaction price received is recognized as a contract liability until the good have been delivered to the customer.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Estimated sales returns and other allowances are generally made and adjusted based on historical experience and the consideration of varying contractual terms to recognize refund liabilities and the right to recover a product.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date. Right-of-use assets are subsequently measured at cost less accumulated depreciation and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and past service cost) and net interest on the net defined benefit liabilities are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities represent the actual deficit in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of the inflation and interest rate fluctuations on the cash flow projections, growth rate, discount rate, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Based on the assessment of the Group's management, the accounting policies, estimates and assumptions adopted by the Group have not been subject to material accounting judgements, estimates and assumptions uncertainty.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	\$ 442	\$ 396
Checking accounts and demand deposits	1,079,188	966,428
Cash equivalent		
Time deposits (with original maturities of 3 months or less)	<u>379,233</u>	<u>374,686</u>
	<u>\$ 1,458,863</u>	<u>\$ 1,341,510</u>

The market rate intervals of cash in bank at the end of the year were as follows:

	December 31	
	2023	2022
Time deposits (with original maturities of 3 months or less)	2.75%-5.60%	2.20%-3.90%

7. FINANCIAL INSTRUMENTS AT FVTPL

	December 31	
	2023	2022
<u>Financial assets at FVTPL - current</u>		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	\$ 149	\$ -
Non-derivative financial assets		
Mutual funds	<u>40,922</u>	<u>4</u>
	<u>\$ 41,071</u>	<u>\$ 4</u>

(Continued)

	December 31	
	2023	2022
<u>Financial liabilities at FVTPL - current</u>		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Convertible bonds options (Note 19)	<u>\$ 19,500</u>	<u>\$ 8,950</u>
		(Concluded)

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>December 31, 2023</u>			
Buy	USD/MYR	January 22, 2024	USD100/MYR465
Buy	USD/MYR	January 22, 2024	USD100/MYR462
Buy	USD/MYR	January 26, 2024	USD100/MYR461

8. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
<u>Current</u>		
Time deposits with original maturities of more than 3 months	\$ 71,065	\$ 4,102
Restricted Bank Deposits (a)	<u>86,030</u>	<u>122,579</u>
	<u>\$ 157,095</u>	<u>\$ 126,681</u>
<u>Market rate intervals</u>		
Time deposits with original maturities of more than 3 months	3.10%-4.00%	2.10%-4.30%
Restricted Bank Deposits	2.00%-3.10%	1.30%-2.85%

- a. Refer to Note 33 for information relating to the restricted time deposits and demand deposits pledged as collaterals for borrowings by the Group.
- b. The Group's exposure and the external credit ratings are continuously monitored. The Group reviews changes in bond yields and other publicly available information and makes an assessment whether there has been a significant increase in credit risk since the last period to the reporting date. After the assessment, the Group estimates that there were no expected credit losses on the financial assets at amortized cost.

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
<u>Trade receivables</u>		
At amortized cost		
Gross carrying amount	\$ 413,714	\$ 651,547
Less: Allowance for impairment loss	<u>(7,700)</u>	<u>(10,268)</u>
	<u>\$ 406,014</u>	<u>\$ 641,279</u>
<u>Other receivables</u>		
Interest receivables	\$ 2,266	\$ 791
GST refund receivables	-	171
Others	<u>1,440</u>	<u>1,586</u>
	<u>\$ 3,706</u>	<u>\$ 2,548</u>

a. Trade receivables

The average credit period of sales of goods is 60 to 90 days. No interest is charged on trade receivables. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group uses other publicly available financial information or its own trading records to rate its major customers.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The ECLs on trade receivables are estimated using a provision matrix prepared by reference to the past default records of the customer, the customer's current financial position as well as the GDP forecasts. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 270 Days Past Due	Over 270 Days Past Due	Total
Expected credit loss rate	0.05%-0.44%	0.41%-2.40%	3.50%-9.74%	16.67%-25.82%	100.00%	
Gross carrying amount	\$ 297,387	\$ 99,003	\$ 9,290	\$ 4,041	\$ 3,993	\$ 413,714
Loss allowance (Lifetime ECLs)	<u>(766)</u>	<u>(1,395)</u>	<u>(567)</u>	<u>(979)</u>	<u>(3,993)</u>	<u>(7,700)</u>
Amortized cost	<u>\$ 296,621</u>	<u>\$ 97,608</u>	<u>\$ 8,723</u>	<u>\$ 3,062</u>	<u>\$ -</u>	<u>\$ 406,014</u>

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 270 Days Past Due	Over 270 Days Past Due	Total
Expected credit loss rate	0.05%-0.93%	1.53%-3.92%	9.99%-14.26%	31.35%	100.00%	
Gross carrying amount	\$ 486,076	\$ 149,848	\$ 12,363	\$ 485	\$ 2,775	\$ 651,547
Loss allowance (Lifetime ECLs)	<u>(1,773)</u>	<u>(4,328)</u>	<u>(1,240)</u>	<u>(152)</u>	<u>(2,775)</u>	<u>(10,268)</u>
Amortized cost	<u>\$ 484,303</u>	<u>\$ 145,520</u>	<u>\$ 11,123</u>	<u>\$ 333</u>	<u>\$ -</u>	<u>\$ 641,279</u>

The movements of the loss allowance of trade receivables were as follows:

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 10,268	\$ 16,592
Less: Net remeasurement of loss allowance	(2,209)	(6,976)
Foreign exchange translation differences	<u>(359)</u>	<u>652</u>
Balance at December 31	<u>\$ 7,700</u>	<u>\$ 10,268</u>

b. Other receivables

Other receivables primarily included interest receivables, GST refund receivables and others. The Group continuously monitors past default experience of the counterparties and analyzes their current financial position. Based on the aforementioned information, the Group then assesses the expected credit loss and considers whether credit risk has significantly increased from the last period to the reporting date. As of December 31, 2023 and 2022, the Group estimates that there was no expected credit loss on other receivables.

10. INVENTORIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Merchandise	\$ 29,490	\$ 89,576
Finished goods	48,979	66,798
Work in progress	6,806	6,238
Raw materials	400,771	886,386
Inventory in transit	<u>105,016</u>	<u>55,225</u>
	<u>\$ 591,062</u>	<u>\$ 1,104,223</u>

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was \$2,238,608 thousand and \$2,564,754 thousand, respectively. The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of \$0 thousand and \$34,661 thousand, respectively.

11. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31		Remark
			2023	2022	
The Company	All Cosmos Industries Sdn. Bhd.	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	100	100	
	Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	55	55	
	PT All Cosmos Indonesia	Sales of Bio-organic and Bio-chemical compound fertilizers	99	99	
	PT All Cosmos Biotek	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	83	91	Note 3
All Cosmos Industries Sdn. Bhd.	GK Bio International Sdn. Bhd.	Wholesale of probiotics	60	60	Note 2
	PT All Cosmos Indonesia	Sales of Bio-organic and Bio-chemical compound fertilizers	1	1	
	Arif Efektif Sdn. Bhd.	Research and development of effective microorganisms for Bio-organic and Bio-chemical compound fertilizers	49	49	Note 1
	Kinabalu Life Sciences Sdn. Bhd.	Research and development of effective microorganisms for waste disposal of oil-palm	60	60	
	Cosmos Biowood Sdn. Bhd.	Manufacture and sales of health care food and biotechnology research and development	92	80	Note 5
	Eastern Eckare Malaysia Sdn. Bhd.	Sales of health care food and cosmetics	60	40	Note 4

Note 1: The Group and its substantive related party hold 49% and 31% interest in Arif Efektif Sdn. Bhd., respectively. Their combined holding exceeds 50% of the total shares outstanding. Hence, the Group has substantive control over Arif Efektif Sdn. Bhd. and included it as part of the Group.

Note 2: On September 22, 2022, GK Bio International Sdn. Bhd. issued new shares for cash of MYR3,000 thousand, and the Company invested MYR1,800 thousand in proportion to their original shareholdings; the registration for the issuance of shares was completed.

Note 3: In December 2022, February 2023 and March 2023, respectively, the Company injected cash of US\$1,800 thousand (equivalent to IDR27,970,056 thousand), US\$1,800 thousand (equivalent to IDR24,816,289 thousand) and US\$2,000 thousand (equivalent to IDR27,573,655 thousand) into its subsidiary, PT All Cosmos Biotek (PTACB), at a percentage different from its existing ownership proportion. Following the capital increase, the Company's proportion of ownership in PT All Cosmos Biotek increased from 83% to 91% in 2022 and from 91% to 95% in 2023, respectively. However, in October 2023, PTACB increased its capital by IDR15,915,000 thousand with all shares subscribed by its non-controlling interest shareholder, YPJ Plantations Sdn. Bhd. (YPJ), which resulted in a decrease of the Company's shareholding to 83%. However, it did not affect the Company's control over PTACB. Refer to Note 28 for the relevant disclosures.

Note 4: On August 1, 2022, the Company's subsidiary, All Cosmos Industries Sdn. Bhd. (ACI), signed a shareholder agreement with Eastern E-Commerce Co., Ltd. to jointly establish Eastern Eckare Malaysia Sdn. Bhd. (EEMSB). The amounts of issued capital made by both parties were MYR2,000 thousand and MYR3,000 thousand, respectively.

In April 2023, EEMSB issued new shares for cash of MYR2,500 thousand, and ACI subscribed for all at a percentage different from its existing ownership proportion. The Group's proportion of ownership increased from 40% to 60%, and the Group is able to exercise significant influence over EEMSB. Therefore, EEMSB became one of the Group's components in April 2023. Refer to Note 27 for the aforementioned equity transaction.

Note 5: In October 2023, ACI injected cash of MYR800 thousand into its subsidiary, Cosmos Biowood Sdn. Bhd. (CBSB), at a percentage different from its existing ownership proportion; the registration for the issuance of shares was completed. Refer to Note 28 for the relevant disclosures.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests December 31	
	2023	2022
Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	45%	45%

Refer to Table 7 for the information on the principal places of business and the countries of incorporation.

Name of Subsidiary	Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accumulated Non-controlling Interests December 31	
	2023	2022	2023	2022
Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	<u>\$ 25,445</u>	<u>\$ 62,351</u>	<u>\$ 378,695</u>	<u>\$ 386,971</u>

Summarized financial information of the subsidiary that has material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.

	December 31	
	2023	2022
Current assets	\$ 706,032	\$ 945,784
Non-current assets	241,968	240,654
Current liabilities	(90,029)	(310,718)
Non-current liabilities	<u>(16,427)</u>	<u>(15,785)</u>
Equity	<u>\$ 841,544</u>	<u>\$ 859,935</u>
Equity attributable to:		
The Company	\$ 462,849	\$ 472,964
Non-controlling interests	<u>378,695</u>	<u>386,971</u>
	<u>\$ 841,544</u>	<u>\$ 859,935</u>

	For the Year Ended December 31	
	2023	2022
Revenue	<u>\$ 825,104</u>	<u>\$ 990,810</u>
Profit for the year	\$ 56,544	\$ 138,557
Other comprehensive income for the year	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>\$ 56,544</u>	<u>\$ 138,557</u>
Profit attributable to:		
The Company	\$ 31,099	\$ 76,206
Non-controlling interests	<u>25,445</u>	<u>62,351</u>
	<u>\$ 56,544</u>	<u>\$ 138,557</u>
Total comprehensive income attributable to:		
The Company	\$ 31,099	\$ 76,206
Non-controlling interests	<u>25,445</u>	<u>62,351</u>
	<u>\$ 56,544</u>	<u>\$ 138,557</u>
Cash inflow (outflow) from:		
Operating activities	\$ 233,607	\$ 69,961
Investing activities	24,945	(46,130)
Financing activities	(280,978)	57,785
Effects of foreign currency exchange	<u>(12,503)</u>	<u>19,865</u>
Net cash (outflow) inflow	<u>\$ (34,929)</u>	<u>\$ 101,481</u>

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	December 31	
	2023	2022
Associate that is not individually material		
Sawit Ecoshield Sdn. Bhd.	\$ 22,343	\$ 17,156
EEMSB	<u>-</u>	<u>13,008</u>
	<u>\$ 22,343</u>	<u>\$ 30,164</u>
	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Profit for the year	<u>\$ 5,345</u>	<u>\$ 1,932</u>

The Group's investment in EEMSB was accounted for using the equity method, and EEMSB issued new shares for cash in April 2023. The original shareholders did not subscribe at a percentage different from their existing ownership proportion. After the transaction, the proportion of ownership increased from 40% to 60%, and the Group was able to exercise significant influence over EEMSB. Therefore, EEMSB has been one of the Group's components since April 2023. Refer to Notes 11 and 27 for the relevant disclosures.

Refer to Table 7 "Information on Investees" for the nature of activities, the principal places of business and the country of incorporation of the associates.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements, which have not been audited. The management believes there is no material impact on the aforementioned financial statements, which have not been audited.

13. PROPERTY, PLANT AND EQUIPMENT

Assets Used by the Group

	Land	Buildings	Machinery and Equipment	Transportation Equipment	Furniture, Fixture and Equipment	Leasehold Improvements	Other Equipment	Property under Construction	Total
<u>Cost</u>									
Balance at January 1, 2023	\$ 26,784	\$ 385,438	\$ 403,775	\$ 22,758	\$ 8,163	\$ 637	\$ 94,757	\$ 33,456	\$ 975,768
Acquisition through business combinations (Note 27)	-	-	-	-	19	-	-	138	157
Additions (Note 32)	-	12,292	8,496	3,485	1,959	2,650	10,670	142,616	182,168
Disposals	-	-	(8,864)	(2,082)	(127)	-	(100)	-	(11,173)
Reclassification (Note)	-	-	28,911	-	-	4,962	2,102	(32,027)	3,948
Effects of foreign currency exchange differences	(1,048)	(15,323)	(16,355)	(884)	(350)	(173)	(3,951)	(4,325)	(42,409)
Balance at December 31, 2023	<u>\$ 25,736</u>	<u>\$ 382,407</u>	<u>\$ 415,963</u>	<u>\$ 23,277</u>	<u>\$ 9,664</u>	<u>\$ 8,076</u>	<u>\$ 103,478</u>	<u>\$ 139,858</u>	<u>\$ 1,108,459</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2023	\$ -	\$ 76,477	\$ 309,960	\$ 18,100	\$ 4,495	\$ 498	\$ 46,827	\$ -	\$ 456,357
Acquisition through business combinations (Note 27)	-	-	-	-	2	-	-	-	2
Depreciation expense	-	7,918	21,174	2,044	903	179	7,631	-	39,849
Disposals	-	-	(8,236)	(2,082)	(101)	-	(91)	-	(10,510)
Effects of foreign currency exchange differences	-	(3,147)	(12,381)	(679)	(190)	(23)	(1,978)	-	(18,398)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 81,248</u>	<u>\$ 310,517</u>	<u>\$ 17,383</u>	<u>\$ 5,109</u>	<u>\$ 654</u>	<u>\$ 52,389</u>	<u>\$ -</u>	<u>\$ 467,300</u>
Carrying amount at December 31, 2023	<u>\$ 25,736</u>	<u>\$ 301,159</u>	<u>\$ 105,446</u>	<u>\$ 5,894</u>	<u>\$ 4,555</u>	<u>\$ 7,422</u>	<u>\$ 51,089</u>	<u>\$ 139,858</u>	<u>\$ 641,159</u>
<u>Cost</u>									
Balance at January 1, 2022	\$ 25,473	\$ 358,370	\$ 345,658	\$ 20,894	\$ 5,579	\$ 606	\$ 62,813	\$ 37,813	\$ 857,206
Additions	-	8,195	29,463	788	2,001	-	15,636	3,115	59,198
Disposals	-	-	(66)	-	(17)	-	(37)	-	(120)
Reclassification (Note)	-	184	9,792	-	252	-	12,304	(9,240)	13,292
Effects of foreign currency exchange differences	1,311	18,689	18,928	1,076	348	31	4,041	1,768	46,192
Balance at December 31, 2022	<u>\$ 26,784</u>	<u>\$ 385,438</u>	<u>\$ 403,775</u>	<u>\$ 22,758</u>	<u>\$ 8,163</u>	<u>\$ 637</u>	<u>\$ 94,757</u>	<u>\$ 33,456</u>	<u>\$ 975,768</u>
<u>Accumulated depreciation</u>									
Balance at January 1, 2022	\$ -	\$ 65,390	\$ 268,946	\$ 14,940	\$ 3,563	\$ 414	\$ 38,889	\$ -	\$ 392,142
Depreciation expense	-	7,504	26,447	2,344	744	61	5,804	-	42,904
Disposals	-	-	(42)	-	(15)	-	(34)	-	(91)
Effects of foreign currency exchange differences	-	3,583	14,609	816	203	23	2,168	-	21,402
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ 76,477</u>	<u>\$ 309,960</u>	<u>\$ 18,100</u>	<u>\$ 4,495</u>	<u>\$ 498</u>	<u>\$ 46,827</u>	<u>\$ -</u>	<u>\$ 456,357</u>
Carrying amount at December 31, 2022	<u>\$ 26,784</u>	<u>\$ 308,961</u>	<u>\$ 93,815</u>	<u>\$ 4,658</u>	<u>\$ 3,668</u>	<u>\$ 139</u>	<u>\$ 47,930</u>	<u>\$ 33,456</u>	<u>\$ 519,411</u>

Note: The reclassification was from prepayment for equipment.

The Group did not recognize or reverse impairment loss in 2023 and 2022.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	33-52 years
Others	50 years
Machinery and equipment	3-10 years
Transportation equipment	5 years
Furniture, fixture and equipment	3-10 years
Leasehold improvements	3-25 years
Other equipment	10 years

Property, plant and equipment used by the Group and pledged as collateral for borrowings are set out in Note 33.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
<u>Carrying amount</u>		
Land	\$ 142,700	\$ 150,126
Buildings	6,994	3,991
Transportation equipment	<u>4,468</u>	<u>580</u>
	<u>\$ 154,162</u>	<u>\$ 154,697</u>
	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	<u>\$ 12,018</u>	<u>\$ 4,684</u>
Depreciation charge for right-of-use assets		
Land	\$ 3,887	\$ 3,823
Buildings	3,597	1,616
Transportation equipment	<u>1,077</u>	<u>151</u>
	<u>\$ 8,561</u>	<u>\$ 5,590</u>

The right of use assets of the Group was not impaired in 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
<u>Carrying amount</u>		
Current	<u>\$ 4,760</u>	<u>\$ 2,307</u>
Non-current	<u>\$ 5,084</u>	<u>\$ 2,002</u>

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	3.10%-5.39%	1.80%-5.01%
Transportation equipment	2.14%-2.96%	2.96%

c. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	<u>\$ 6,482</u>	<u>\$ 4,828</u>
Expenses relating to low-value asset leases	<u>\$ 637</u>	<u>\$ 1,296</u>
Total cash outflow for leases	<u>\$ (13,660)</u>	<u>\$ (8,364)</u>

The Group's leases of certain worker hostels qualify as short-term and low-value asset leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

Right-of-use assets used by the Group and pledged as collaterals for borrowings are set out in Note 33.

15. GOODWILL

	For the Year Ended December 31	
	2023	2022
<u>Cost</u>		
Balance at January 1	\$ 5,342	\$ 5,082
Acquisitions through business combinations (Note 27)	779	-
Effects of foreign currency exchange differences	<u>(230)</u>	<u>260</u>
Balance at December 31	<u>\$ 5,891</u>	<u>\$ 5,342</u>
<u>Accumulated impairment losses</u>		
Balance at January 1	\$ 4,978	\$ 4,735
Effects of foreign currency exchange differences	<u>(195)</u>	<u>243</u>
Balance at December 31	<u>\$ 4,783</u>	<u>\$ 4,978</u>
Carrying amounts at December 31	<u>\$ 1,108</u>	<u>\$ 364</u>

The Group acquired Arif Efektif Sdn. Bhd. and Eastern Eckare Malaysia Sdn. Bhd. and recognized goodwill in relation to investment costs exceeding the fair value of the identifiable assets and assumed liabilities on the acquisition date.

16. OTHER INTANGIBLE ASSETS

	Computer Software	Special Technology	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 5,204	\$ -	\$ 5,204
Additions	673	-	673
Reclassification (Note)	-	8,845	8,845
Effects of foreign currency exchange differences	<u>(217)</u>	<u>(170)</u>	<u>(387)</u>
Balance at December 31, 2023	<u>\$ 5,660</u>	<u>\$ 8,675</u>	<u>\$ 14,335</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2023	\$ 4,725	\$ -	\$ 4,725
Amortization expense	294	443	737
Effects of foreign currency exchange differences	<u>(190)</u>	<u>(9)</u>	<u>(199)</u>
Balance at December 31, 2023	<u>\$ 4,829</u>	<u>\$ 434</u>	<u>\$ 5,263</u>
Carrying amount at December 31, 2023	<u>\$ 831</u>	<u>\$ 8,241</u>	<u>\$ 9,072</u>
<u>Cost</u>			
Balance at January 1, 2022	\$ 4,854	\$ -	\$ 4,854
Additions	97	-	97
Effects of foreign currency exchange differences	<u>253</u>	<u>-</u>	<u>253</u>
Balance at December 31, 2022	<u>\$ 5,204</u>	<u>\$ -</u>	<u>\$ 5,204</u>
<u>Accumulated amortization and impairment</u>			
Balance at January 1, 2022	\$ 3,987	\$ -	\$ 3,987
Amortization expense	518	-	518
Effects of foreign currency exchange differences	<u>220</u>	<u>-</u>	<u>220</u>
Balance at December 31, 2022	<u>\$ 4,725</u>	<u>\$ -</u>	<u>\$ 4,725</u>
Carrying amount at December 31, 2022	<u>\$ 479</u>	<u>\$ -</u>	<u>\$ 479</u>

Note: The reclassification was from prepayments.

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software	5 years
Special technology	10 years

17. OTHER ASSETS

	December 31	
	2023	2022
<u>Current</u>		
Prepayments		
Prepayments for purchase	\$ 16,810	\$ 24,475
Office supplies	20,588	23,779
Input tax	18,151	7,708
Others	<u>9,663</u>	<u>9,345</u>
	<u>\$ 65,212</u>	<u>\$ 65,307</u>
Other		
Refundable deposits	\$ 395	\$ 989
Right to recover a product (Note 23)	<u>-</u>	<u>289</u>
	<u>\$ 395</u>	<u>\$ 1,278</u>
<u>Non-current</u>		
Refundable deposits	\$ 8,788	\$ 11,487
Prepayment for equipment	7,988	4,968
Prepayments	<u>-</u>	<u>9,029</u>
	<u>\$ 16,776</u>	<u>\$ 25,484</u>

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 33)</u>		
Bank loans	<u>\$ -</u>	<u>\$ 394,475</u>

The range of interest rates on bank loans is 2.90%-3.88% per annum as of December 31, 2022.

b. Long-term borrowings

	December 31	
	2023	2022
<u>Secured borrowings (Note 33)</u>		
Bank loans (1)	\$ 34,657	\$ 45,906
Less: Current portion	<u>(9,857)</u>	<u>(9,859)</u>
Long-term borrowings	<u>\$ 24,800</u>	<u>\$ 36,047</u>

The details of the bank loans are as follows:

	Effective Rate	December 31	
		2023	2022
<u>Variable rate</u>			
AmIslamic Bank medium-term secured loan in a total amount of MYR7,500 thousand, from March 22, 2022 to May 1, 2027, repayable in monthly installments of principal and interest started from April 5, 2022.			
	4.50%	\$ 34,657	\$ 45,906

19. BONDS PAYABLE

	December 31	
	2023	2022
Unsecured domestic convertible bonds	\$ 500,000	\$ 500,000
Unamortized bond discount	(1,411)	(2,226)
	498,589	497,774
Less: Current portion	(498,589)	-
	\$ -	\$ 497,774

On September 21, 2022, the Company issued the first three-year zero coupon unsecured domestic convertible bonds with a par value of \$100 thousand and an aggregate principal amount of \$500,000 thousand. The following items are primary clauses in the prospectus:

a. Term

The three-year period is starting from September 21, 2022 to September 21, 2025.

b. Date and method of payment of interest and principal

As the bonds bear 0% interest, no interest payment schedule or method has been set. Except for cases where the bonds are converted to the Company's ordinary shares, put options will be exercised by the bondholders, and the bonds will be redeemed prior to maturity, or where the Company repurchases the bonds from securities firms or cancelled them, the bonds will be paid at par in cash at maturity.

c. Conversion

The bondholder has the right during the conversion period, from December 22, 2022 (3 months after the issue date) to September 21, 2025 (the maturity date), to convert its bonds into ordinary shares, except for the period of suspension of transfer according to the law: (i) the period beginning on the 15th trading day prior to the book closure date for the distribution of shares or cash dividends, the subscription of new shares due to a capital increase; (ii) the period beginning on the date of a capital reduction until one day prior to the trading day on which the shares of the Company are reissued after such reduction; and (iii) the day of conversion (subscription) during the changes of the face value of stock until the day before the start of trading of the new shares issued through exchange.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT\$79 per share. The conversion price will be adjusted according to the formula stated in the prospectus, should there be any changes in the issuance of ordinary shares.

The price used by the Company in determining the number of ordinary shares to be issued upon conversion was initially NT\$79 per share. The conversion price will be adjusted according to the formula stated in the prospectus, should there be any changes in the issuance of ordinary shares. Due to the distribution of cash dividends by the Company, the conversion price as of December 31, 2023, was adjusted to NT\$75.7 per share.

d. Redemption

From December 22, 2022 (3 months after the issue date) to August 12, 2025 (40 days prior to the maturity date), if the closing price of the Company's ordinary shares listed on the stock exchange exceeds 30% of the conversion price for 30 consecutive trading days, the Company can redeem all the bonds before the maturity date.

From December 22, 2022 (3 months after the issue date) to August 12, 2025 (40 days prior to the maturity date), if the balance of the outstanding convertible bonds is lower than 10% of the original principal amount, the Company can redeem all the bonds before the maturity date.

e. Put option of the bondholders

From September 21, 2024 onwards (2 years after the issue date), bondholders can request the Company to redeem the bonds in cash at 102.01% of the principal amount (the yield to put is 1%).

Movements of the host liability instrument and the conversion option derivative instrument in 2023 and 2022 were as follows:

	Host Liability Instrument	Conversion Option Derivative Instrument
Balance at January 1, 2023	\$ 497,774	\$ 8,950
Interest expense	815	-
Loss on fair value	<u>-</u>	<u>10,550</u>
Balance at December 31, 2023	<u>\$ 498,589</u>	<u>\$ 19,500</u>
Issue date	\$ 497,549	\$ 4,301
Interest expense	225	-
Loss on fair value	<u>-</u>	<u>4,649</u>
Balance at December 31, 2022	<u>\$ 497,774</u>	<u>\$ 8,950</u>

20. OTHER LIABILITIES

	December 31	
	2023	2022
<u>Current</u>		
Other payables		
Payable for salaries and bonuses (including compensation of employees and remuneration of directors)	\$ 31,084	\$ 58,687
Payable for pension fees	4,280	5,361
Payable for purchase of equipment and construction	19,540	3,907
Payable for freight	16,117	19,879
Payable for commission	5,320	2,214
Payable for professional service fees	4,605	2,889
Payable for maintenance	3,396	6,843
Payable for taxes	1,965	70
Payable for marketing expenses	1,806	8,545
Payable for utilities	1,507	1,489
Payable for royalties	1,206	2,240
Payable for welfare	98	144
Others	<u>4,870</u>	<u>5,607</u>
	<u>\$ 95,794</u>	<u>\$ 117,875</u>
Other liabilities		
Guarantee deposits received	\$ 346	\$ 68
Refund liabilities (Note 23)	-	738
Other current liabilities (Note 32)	<u>405</u>	<u>-</u>
	<u>\$ 751</u>	<u>\$ 806</u>

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits in accordance with local regulation. Except for the abovementioned, the Group does not have any other retirement or pension plans for employees.

b. Defined benefit plans

The subsidiary in Indonesia adopted a defined benefit plan and actuarial calculations are conducted in accordance with the local Labor Standards Act.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	\$ 669	\$ -
Fair value of plan assets	<u>-</u>	<u>-</u>
Deficit	<u>669</u>	<u>-</u>
Net defined benefit liabilities	<u>\$ 669</u>	<u>\$ -</u>

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2023	\$ -	\$ -	\$ -
Service cost			
Current service cost	141	-	141
Past service cost	442	-	442
Net interest expense	<u>32</u>	<u>-</u>	<u>32</u>
Recognized in profit or loss	<u>615</u>	<u>-</u>	<u>615</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	-	-
Changes in financial assumptions	14	-	14
Experience adjustments	<u>57</u>	<u>-</u>	<u>57</u>
Recognized in other comprehensive income	<u>71</u>	<u>-</u>	<u>71</u>
Contributions from the employer	<u>-</u>	<u>-</u>	<u>-</u>
Effects of foreign currency exchange	<u>(17)</u>	<u>-</u>	<u>(17)</u>
Balance at December 31, 2023	<u>\$ 669</u>	<u>\$ -</u>	<u>\$ 669</u>
Balance at December 31, 2022	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Through the defined benefit plans under the Labor Standards Act, the Corporation is exposed to the following risks:

- 1) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.
- 2) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rate (%)	6.67%	-
Expected rate of salary increase (%)	4.00%	-

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	2022
Discount rate		
1% increase	\$ 40	\$ -
1% decrease	\$ (45)	\$ -
Expected rate of salary increase		
1% increase	\$ (42)	\$ -
1% decrease	\$ 39	\$ -

The above sensitivity analysis may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	2023
Expected contributions to the plan for the next year	\$ 206	\$ -
Average duration of the defined benefit obligation	13.57 years	-

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	600,000	600,000
Shares authorized	\$ 6,000,000	\$ 6,000,000
Shares issued and fully paid (in thousands of shares)	64,034	64,034
Shares issued	\$ 640,340	\$ 640,340

Fully paid ordinary shares, which have a par value of \$10, carry one vote per share and carry a right to dividends.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (*)		
Issuance of ordinary shares	\$ 775,964	\$ 775,964
Exercise of employee share options	2,675	2,675
Forfeited employee share options	2,862	2,862
May not be used for any purpose		
Others	337	337
	<u>\$ 781,838</u>	<u>\$ 781,838</u>

* Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit every six months of the fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. If the distribution is in the form of shares, it shall be resolved in the shareholders' meeting; if the distribution is in the form of cash, resolution shall be made in the board of directors' meeting and a report of such distribution shall be submitted in the shareholders' meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 24 (g).

The Company's Articles also stipulate that dividends may be distributed in shares or in cash. Cash dividends shall be no less than 50% of the total dividends distributed.

An appropriation of earnings to a legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The shareholders of the Company held their regular meeting on June 22, 2022 and in that meeting, resolved the amendments to the Company's Articles of Incorporation (the "Articles"). The amendments explicitly stipulate that when a special reserve is appropriated for cumulative net debit balance reserves from the prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for the current period is used if the prior unappropriated earnings are not sufficient. Before the Articles are amended, the special reserve is appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021 were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	2021
Legal reserve	<u>\$ 36,686</u>	<u>\$ 19,813</u>
Special reserve	<u>\$ (105,763)</u>	<u>\$ 130,238</u>
Cash dividends	<u>\$ 160,085</u>	<u>\$ 96,051</u>
Cash dividends per share (NT\$)	\$ 2.50	\$ 1.50

The above appropriations for cash dividends were resolved by the Company's board of directors on March 22, 2023 and March 25, 2022; the other proposed appropriations for 2022 and 2021 were resolved by the shareholders in their meetings on June 12, 2023 and June 22, 2022, respectively.

On August 25, 2023 and August 26, 2022, the Company's board of directors resolved not to distribute appropriations of the semi-annual earnings in 2023 and 2022, respectively.

The appropriations of earnings for 2023 proposed by the Company's board of directors on March 14, 2024 were as follows:

	For the Year Ended December 31, 2023
Legal reserve	<u>\$ 13,735</u>
Special reserve	<u>\$ 89,854</u>
Cash dividends	<u>\$ 64,034</u>
Cash dividends per share (NT\$)	\$ 1.00

The above appropriation for cash dividends was resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 21, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 527,952	\$ 397,714
Appropriations in respect (reversal) of		
Debits to other equity items	<u>(105,763)</u>	<u>130,238</u>
Balance at December 31	<u>\$ 422,189</u>	<u>\$ 527,952</u>

According to the Articles, special reserve should be appropriated for the amount equal to the difference between the net debit balance reserve of other equity items and the balance of special reserve appropriated on the reporting date. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and is thereafter distributed.

e. Other equity items

Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ (422,189)	\$ (527,952)
Recognized for the year		
Exchange differences on translation to the presentation currency	(92,107)	110,366
Exchange differences on translation of the financial statements of foreign operations	2,965	(6,057)
Related income tax	<u>(712)</u>	<u>1,454</u>
Balance at December 31	<u>\$ (512,043)</u>	<u>\$ (422,189)</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 496,276	\$ 388,267
Share in profit for the year	49,948	87,815
Other comprehensive income (loss) during the year		
Exchange differences on translation to the presentation currency	(20,935)	22,209
Exchange differences on translation of the financial statements of foreign operations	1,366	(838)
Cash dividends distribution by subsidiaries	(20,360)	(10,829)
Increase in non-controlling interest arising from acquisition of a new subsidiary (Note 27)	19,109	-
Change in proportions of ownership in subsidiaries (Note 28)	1,957	1,349
Non-controlling interests from issuance of ordinary shares (Note 11)	<u>32,490</u>	<u>8,303</u>
Balance at December 31	<u>\$ 559,851</u>	<u>\$ 496,276</u>

23. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from the sale of goods	<u>\$ 2,826,587</u>	<u>\$ 3,702,330</u>

a. Contract information

Revenue from the sale of goods

The Group's revenue mainly comes from the sale of bio-organic and bio-chemical compound fertilizers. All goods are sold at agreed-upon prices.

Partial probiotic product sales contracts include the right of return. Considering past experience, the Group estimates the most likely amounts of returns and recognizes refund liabilities (other current liabilities) and the right to recover products (other current assets) accordingly.

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (including related parties) (Notes 9 and 32)	<u>\$ 443,609</u>	<u>\$ 698,648</u>	<u>\$ 436,594</u>
Contract liabilities - current	<u>\$ 907</u>	<u>\$ 6,006</u>	<u>\$ 7,032</u>

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year and from the performance obligations satisfied in the previous periods was summarized as follows:

	For the Year Ended December 31	
	2023	2022
From contract liabilities at the start of the year		
Sale of goods	<u>\$ 6,006</u>	<u>\$ 7,032</u>

c. Disaggregation of revenue

Refer to Note 38 for details of disaggregation of revenue.

24. NET PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	\$ 25,986	\$ 9,501
Financial assets at amortized cost	3,839	1,565
Loans to related party (Note 32)	<u>592</u>	<u>421</u>
	<u>\$ 30,417</u>	<u>\$ 11,487</u>

b. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	\$ 37	\$ 30
Others	<u>4,907</u>	<u>16,966</u>
	<u>\$ 4,944</u>	<u>\$ 16,996</u>

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Loss on disposal of property, plant and equipment	\$ (418)	\$ (29)
Net foreign exchange (losses) gains (h)	39,238	(41,869)
Fair values changes of financial assets and liabilities		
Financial assets mandatorily classified as at FVTPL	2,742	1,900
Financial liabilities held for trading	<u>(10,550)</u>	<u>(4,649)</u>
	<u>\$ 31,012</u>	<u>\$ (44,647)</u>

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	\$ 2,723	\$ 18,437
Interest on lease liabilities	445	87
Interest on convertible bonds	815	225
Other interest expenses	<u>-</u>	<u>61</u>
	<u>\$ 3,983</u>	<u>\$ 18,810</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	\$ 27,051	\$ 32,908
Operating expenses	<u>21,359</u>	<u>15,586</u>
	<u>\$ 48,410</u>	<u>\$ 48,494</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 737</u>	<u>\$ 518</u>

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plan	\$ 14,280	\$ 12,218
Defined benefit plans	615	-
Other employee benefits	<u>214,848</u>	<u>213,117</u>
Total employee benefits expense	<u>\$ 229,743</u>	<u>\$ 225,335</u>

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis of employee benefits expense by function		
Operating costs	\$ 75,918	\$ 65,306
Operating expenses	<u>153,825</u>	<u>160,029</u>
	<u>\$ 229,743</u>	<u>\$ 225,335</u>
		(Concluded)

g. Compensation of employees and remuneration of directors

According to the Articles, the Company accrues compensation of employees at rates of no less than 1% and no higher than 10% and remuneration of directors at rates of no higher than 10%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 14, 2024 and March 22, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	2022
Compensation of employees	3%	3%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Compensation of employees	<u>\$ 4,394</u>	\$ -	<u>\$ 11,627</u>	\$ -
Remuneration of directors	<u>\$ 2,930</u>	-	<u>\$ 7,752</u>	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains and losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	\$ 111,638	\$ 132,053
Foreign exchange losses	<u>(72,400)</u>	<u>(173,922)</u>
	<u>\$ 39,238</u>	<u>\$ (41,869)</u>

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax expense are as follow:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	\$ 55,153	\$ 180,676
Adjustments for prior year	<u>1,646</u>	<u>2,140</u>
	56,799	182,816
Deferred tax		
In respect of the current year	<u>11,522</u>	<u>(4,885)</u>
Income tax expense recognized in profit or loss	<u>\$ 68,321</u>	<u>\$ 177,931</u>

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	<u>\$ 257,630</u>	<u>\$ 633,950</u>
Income tax expense calculated at the statutory rate (24%)	\$ 61,831	\$ 152,148
Nondeductible expenses in determining taxable income	6,944	7,698
Tax-exempt income	(2,714)	(1,027)
Unrecognized loss carryforwards	1,005	280
Unrecognized deductible temporary differences	(3,453)	1,049
Adjustments for prior years' tax	1,646	2,140
Effects of different tax rate of group entities operating in other jurisdictions	<u>3,062</u>	<u>15,643</u>
Income tax expense recognized in profit or loss	<u>\$ 68,321</u>	<u>\$ 177,931</u>

The main source of income of the Group is the subsidiaries in Malaysia, whose tax rate is 24%, and the tax rate of the subsidiaries in Indonesia is 22%. Tax rates used by other entities operating in other jurisdictions are based on the tax laws in each jurisdiction.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
<u>Deferred tax</u>		
In respect of the current year		
Exchange differences on translation of the financial statements of foreign operations	\$ 712	\$ (1,454)
Remeasurement of defined benefit plan	<u>(16)</u>	<u>-</u>
	<u>\$ 696</u>	<u>\$ (1,454)</u>

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivables	<u>\$ 50,667</u>	<u>\$ 15,296</u>
Current tax liabilities		
Income tax payables	<u>\$ 18,266</u>	<u>\$ 57,577</u>

d. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Exchange differences on translation of the financial statements of foreign operations	\$ 1,707	\$ -	\$ (712)	\$ (53)	\$ 942
Unrealized exchange losses	2,911	(2,852)	-	(59)	-
Allowance for impaired receivables	2,448	(552)	-	(85)	1,811
Allowance for impaired inventory	6,500	(2,356)	-	(210)	3,934
Lease liabilities	-	3,374	-	(65)	3,309
Others	<u>333</u>	<u>414</u>	<u>16</u>	<u>(22)</u>	<u>741</u>
	<u>\$ 13,899</u>	<u>\$ (1,972)</u>	<u>\$ (696)</u>	<u>\$ (494)</u>	<u>\$ 10,737</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Depreciation of property, plant and equipment	\$ 30,549	\$ 1,981	\$ -	\$ (1,234)	\$ 31,296
Unrealized exchange gains	26	4,195	-	(83)	4,138
Right-of-use assets	<u>-</u>	<u>3,374</u>	<u>-</u>	<u>(65)</u>	<u>3,309</u>
	<u>\$ 30,575</u>	<u>\$ 9,550</u>	<u>\$ -</u>	<u>\$ (1,382)</u>	<u>\$ 38,743</u>

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Differences	Closing Balance
<u>Deferred tax assets</u>					
Temporary differences					
Exchange differences on translation of the financial statements of foreign operations	\$ 201	\$ -	\$ 1,454	\$ 52	\$ 1,707
Unrealized exchange losses	171	2,654	-	86	2,911
Allowance for impaired receivables	4,400	(2,117)	-	165	2,448
Allowance for impaired inventory	1,951	4,323	-	226	6,500
Others	-	339	-	(6)	333
	<u>\$ 6,723</u>	<u>\$ 5,199</u>	<u>\$ 1,454</u>	<u>\$ 523</u>	<u>\$ 13,899</u>
<u>Deferred tax liabilities</u>					
Temporary differences					
Depreciation of property, plant and equipment	\$ 28,749	\$ 314	\$ -	\$ 1,486	\$ 30,549
Unrealized exchange gains	22	-	-	4	26
	<u>\$ 28,771</u>	<u>\$ 314</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 30,575</u>

- e. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the consolidated balance sheets

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Deductible temporary differences		
Allowance for impaired inventory	<u>\$ 6,648</u>	<u>\$ 25,023</u>
Loss carryforwards	<u>\$ 8,806</u>	<u>\$ 6,315</u>

- f. Income tax assessments

As of December 31, 2023, the Group did not have any claim or litigation regarding tax assessment.

26. EARNINGS PER SHARE

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Basic earnings per share	<u>\$ 2.18</u>	<u>\$ 5.75</u>
Diluted earnings per share	<u>\$ 2.13</u>	<u>\$ 5.65</u>

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Profit for the year attributable to owners of the Company	<u>\$ 139,361</u>	<u>\$ 368,204</u>
Net income used in the computation of basic earnings per share	\$ 139,361	\$ 368,204
Effects of potentially dilutive ordinary shares		
After-tax interest and evaluation of convertible bonds	<u>11,365</u>	<u>4,874</u>
Earnings used in the computation of diluted earnings per share	<u>\$ 150,726</u>	<u>\$ 373,078</u>

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	64,034	64,034
Effects of potentially dilutive ordinary shares		
Compensation of employees	127	238
Convertible bonds	<u>6,605</u>	<u>1,769</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>70,766</u>	<u>66,041</u>

The Group may settle compensation of employees in cash or shares; therefore the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. BUSINESS COMBINATIONS

In order to develop the health food business, the Group subscribed for the new shares issued by EEMSB and acquired a 20% ownership interest in EEMSB in the amount of \$17,233 thousand (equivalent to MYR2,500 thousand) in April 2023. The proportion of ownership interest in EEMSB increased from 40% to 60%, and the Group was able to exercise significant influence over EEMSB.

a. Assets acquired and liabilities assumed at the date of acquisition

	Amount
Current assets	
Cash and cash equivalents	\$ 46,861
Prepayments	551
Non-current assets	
Plant and equipment	155
Other non-current assets	492
Current liabilities	
Trade and other payables	<u>(286)</u>
	<u>\$ 47,773</u>

b. Non-controlling interests

The non-controlling interest recognized at the acquisition date was measured by reference to the share of the amount that the net identifiable assets of EEMSB had recognized.

c. Goodwill recognized on acquisitions

	Amount
Consideration transferred	\$ 17,223
Plus: Fair value of the interest held by the Group on the acquisition date	12,220
Non-controlling interest	19,109
Less: Fair value of identifiable net assets acquired	<u>(47,773)</u>
Goodwill recognized on acquisitions	<u>\$ 779</u>

The goodwill recognized in the acquisitions of EEMSB mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of EEMSB. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

d. Net cash outflow (inflow) on the acquisition of subsidiaries

	Amount
Consideration paid in cash	\$ 17,223
Less: Cash and cash equivalent balances acquired	<u>(46,861)</u>
	<u>\$ (29,638)</u>

e. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Amount
Operating revenue	<u>\$ 46,130</u>
Net profit for the year	<u>\$ 2,134</u>

Had these business combinations been in effect at the beginning of the financial year, the Group's revenue would have been \$2,826,587 thousand, and the net profit would have been \$188,364 thousand for the year ended December 31, 2023. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that would have been achieved had the acquisition been completed on January 1, 2023, nor is it intended to be a projection of future results.

28. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On December 19, 2022, the Group subscribed for new shares issued by PTACB at a percentage different from its existing ownership proportion, which increased its continuing interest from 83% to 91%; PTACB increased its share equity in February 2023, March 2023 and October 2023, respectively. The Group and its non-controlling interest shareholder, YPJ, subscribed to the capital increase at a percentage different from its existing ownership. The Group's shareholding decreased from 91% to 83% after the completion of the equity transaction.

In October, 2023, the Group subscribed for additional new shares of CBSB at a percentage different from its existing ownership proportion, and increased its continuing interest from 80% to 92%.

The above transaction was accounted for as an equity transaction, since the Group did not cease to have control over this subsidiary.

For the year ended December 31, 2023

	CBSB	PTACB
Cash consideration paid	\$ (5,442)	\$ (122,061)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>4,715</u>	<u>120,831</u>
Difference recognized from equity transactions	<u>\$ (727)</u>	<u>\$ (1,230)</u>
<u>Line items adjusted for equity transactions</u>		
Unappropriated earnings	<u>\$ (727)</u>	<u>\$ (1,230)</u>

For the year ended December 31, 2022

	PTACB
Cash consideration paid	\$ (58,426)
The proportionate share of the carrying amount of the net assets of the subsidiary	<u>57,077</u>
Difference recognized from equity transactions	<u>\$ (1,349)</u>
<u>Line items adjusted for equity transactions</u>	
Unappropriated earnings	<u>\$ (1,349)</u>

29. CASH FLOWS INFORMATION

a. Non-cash transaction

For the years ended December 31, 2023 and 2022, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

As of December 31, 2023 and 2022, the payable for purchasing of equipment and constructors (recognized as other payables and other payables to related parties) were \$30,390 thousand and \$3,907 thousand, respectively.

b. Changes in liabilities from financing activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Interest Expenses	Exchange Differences			
Short-term borrowings	\$ 394,475	\$ (386,482)	\$ -	\$ -	\$ (7,993)	\$ -	\$ -	\$ -
Long-term borrowings	45,906	(9,635)	-	-	(1,614)	-	-	34,657
Guarantee deposits received	68	286	-	-	(8)	-	-	346
Lease liabilities	4,309	(6,096)	12,018	445	(387)	(445)	-	9,844
Bonds payable	497,774	-	-	815	-	-	-	498,589
	<u>\$ 942,532</u>	<u>\$ (401,927)</u>	<u>\$ 12,018</u>	<u>\$ 1,260</u>	<u>\$ (10,002)</u>	<u>\$ (445)</u>		<u>\$ 543,436</u>

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes				Others	Closing Balance
			New Leases	Interest Expenses	Exchange Differences			
Short-term borrowings	\$ 307,651	\$ 50,753	\$ -	\$ -	\$ 36,071	\$ -	\$ -	\$ 394,475
Long-term borrowings	1,989	42,580	-	-	1,337	-	-	45,906
Guarantee deposits received	4,042	(4,064)	-	-	90	-	-	68
Lease liabilities	1,671	(2,153)	4,684	87	107	(87)	-	4,309
Bonds payable	-	501,850	-	225	-	(4,301)	-	497,774
	<u>\$ 315,353</u>	<u>\$ 588,966</u>	<u>\$ 4,684</u>	<u>\$ 312</u>	<u>\$ 37,605</u>	<u>\$ (4,388)</u>		<u>\$ 942,532</u>

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The management of the Group periodically reviews its capital structure. As part of the review, the management considers the cost of capital, and the risks associated with each borrowing and the financial ratio required to determine the reasonable scale of capital structure of the Group. The Group balances its overall capital structure by distributing dividend, issuing new shares and obtaining loans.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Except as detailed below, the Group's management believes that the carrying amount of financial assets and financial liabilities that are not measured at fair value approximates the fair value.

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 498,589	\$ -	\$ -	\$ 487,050	\$ 487,050

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<u>Financial liabilities</u>					
Financial liabilities at amortized cost					
Convertible bonds	\$ 497,774	\$ -	\$ -	\$ 480,100	\$ 480,100

For the fair value of the liability component of the convertible bond included in Level 3, the Group assumes that the bond will be redeemed at maturity and determines the risk discount rate with reference to the interest rate of borrowings of companies in the same industry, then extrapolates the per-hundred price.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 149	\$ -	\$ 149
Mutual funds	<u>40,922</u>	<u>-</u>	<u>-</u>	<u>40,922</u>
	<u>\$ 40,922</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 41,071</u>
Financial liabilities at FVTPL				
Convertible bonds options	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,500</u>	<u>\$ 19,500</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	\$ 4	\$ -	\$ -	\$ 4
Financial liabilities at FVTPL				
Convertible bonds options	\$ -	\$ -	\$ 8,950	\$ 8,950

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Liabilities at Fair Value Through Profit or Loss	For the Year Ended December 31	
	2023	2022
Convertible bonds options		
Balance at January 1	\$ 8,950	\$ -
Recognized in profit or loss (loss on financial instruments at FVTPL) - unrealized	10,550	4,649
Additions	-	4,301
Balance at December 31	\$ 19,500	\$ 8,950

3) Valuation techniques and inputs applied for the Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Fair values of foreign exchange derivative contracts are measured on the basis of quotations provided by financial institutions.

4) Valuation techniques and inputs applied for the Level 3 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Derivatives - convertible bond options	Binary tree model: By consider factors including the duration of bonds, the share price and its volatility, exercise price, risk-free rate, risk discount rate and liquidity risk.

c. Categories of financial instruments

	December 31	
	2023	2022
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 41,071	\$ 4
Financial assets at amortized cost (1)	2,079,154	2,193,078
<u>Financial liabilities</u>		
FVTPL		
Held for trading	19,500	8,950
Amortized cost (2)	733,437	1,075,497

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables, trade receivables from related parties, other receivables (excluding GST refund receivables), other receivables from related parties, financial assets at amortized cost and refundable deposits.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, trade payables, trade payables to related parties, other payables (excluding payable for salaries and bonuses, payable for pension fees, payable for taxes, payable for welfare and insurance), other payables to related parties, bonds payable, current portion of long-term borrowings, long-term borrowings, and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include trade receivables, trade payables, bonds payable, lease liabilities and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency risk, interest risk and other price risk. The Group entered into forward foreign exchange contracts to hedge the foreign currency risk arising from the importations denominated in United States dollar.

a) Foreign currency risk

The Group has foreign currency-denominated transactions, which expose the Group to foreign currency risk. Foreign currency risk is managed by the delegated team, which regularly reviews the positions of assets and liabilities affected by foreign currencies and utilizes the foreign exchange forward contracts to manage the exchange rate exposures.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 36.

Sensitivity analysis

The Group is mainly exposed to the fluctuations of United States dollars (USD) and New Taiwan dollars (TWD).

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency against the relevant foreign currencies.

The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 5%. The sensitivity analysis included only outstanding foreign currency-denominated monetary items (e.g., trade receivables, trade payables and borrowings) and adjusted their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit and other equity associated with functional currency strengthening 5% against the relevant foreign currency. For a 5% weakening of functional currency against the relevant foreign currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss (i)	\$ 11,380	\$ 26,332

	NTD Impact	
	For the Year Ended December 31	
	2023	2022
Profit or loss (ii)	\$ (24,905)	\$ (24,871)

- i. The result was mainly attributable to the exposure of outstanding bank deposits, trade receivables and trade payables in USD that were not hedged at the end of the year.
- ii. The result was mainly attributable to the exposure of outstanding bank deposits and bonds payable in NTD that were not hedged at the end of the year.

The Group's sensitivity to foreign currency decreased during the current year mainly, due to the decreased bank deposits in USD. There were no significant changes in the sensitivity to foreign currency NTD exchange rates compared to the previous year.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	\$ 543,026	\$ 512,520
Financial liabilities	508,433	896,558
Cash flow interest rate risk		
Financial assets	808,966	489,412
Financial liabilities	34,657	45,906

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the year was outstanding for the whole year. A 1% increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$7,743 thousand and \$4,435 thousand, respectively, which was mainly a result of the change in interest rate on its floating rate bank deposits and borrowings.

The Group's sensitivity to interest rates increased during the current year mainly due to the increase in cash flow risk and finance assets.

c) Other price risk

The Group was exposed to price risk through its investments in money market fund instruments, which were classified as financial assets at FVTPL. The investments are held for strategic purposes. The Group manages this exposure by maintaining a portfolio of investments with lower risks.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to money market funds price risks at the end of the year.

If money market fund prices had been 1% higher/lower, pre-tax profit for the years ended December 31, 2023, would have increased/decreased by \$409 thousand, as a result of the changes in fair value of financial assets at FVTPL.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligations and due to financial guarantees provided by the Group, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group's concentration of credit risk was 31% and 28% of total trade receivables as of December 31, 2023 and 2022, respectively, and was attributable to the three largest customers of the Group.

In order to minimize credit risk, the management of the Group delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows.

Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the year.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 164,587	\$ 35,014	\$ 590	\$ -	\$ -
Lease liabilities	477	893	3,729	5,415	-
Floating interest rate liabilities	933	1,868	8,413	26,170	-
Fixed interest rate liabilities	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>
	<u>\$ 165,997</u>	<u>\$ 37,775</u>	<u>\$ 512,732</u>	<u>\$ 31,585</u>	<u>\$ -</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 5,099</u>	<u>\$ 5,415</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	\$ 121,963	\$ 14,745	\$ 634	\$ -	\$ -
Lease liabilities	224	421	1,771	2,430	-
Floating interest rate liabilities	969	1,936	8,714	38,549	-
Fixed interest rate liabilities	<u>258,929</u>	<u>135,546</u>	<u>-</u>	<u>500,000</u>	<u>-</u>
	<u>\$ 382,085</u>	<u>\$ 152,648</u>	<u>\$ 11,119</u>	<u>\$ 540,979</u>	<u>\$ -</u>

Additional information on the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years	20+ Years
Lease liabilities	<u>\$ 2,416</u>	<u>\$ 2,430</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The amount included above for floating interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in floating interest rates differ from those estimates of interest rates determined at the end of the year.

b) Liquidity and interest rate risk tables for derivative financial liabilities

The following table detailed the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed was determined by reference to the projected interest rates as illustrated by the yield curves at the end of the year.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
<u>Net settled</u>					
Foreign exchange forward contracts	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

c) Financing facilities

	December 31	
	2023	2022
Secured bank loan facilities:		
Amount used	\$ 73,592	\$ 472,215
Amount unused	<u>1,123,593</u>	<u>819,762</u>
	<u>\$ 1,197,185</u>	<u>\$ 1,291,977</u>
Unsecured bank loan facilities:		
Amount used	\$ -	\$ -
Amount unused	<u>62,957</u>	<u>47,136</u>
	<u>\$ 62,957</u>	<u>\$ 47,136</u>

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows.

a. Related party names and categories

<u>Related Names</u>	<u>Related Party Categories</u>
Sabah Softwoods Berhad	Related party in substance
Sawit Kinabalu Seeds Sdn. Bhd.	Related party in substance
Borneo Samudera Sdn. Bhd.	Related party in substance
Bongalio Development Sdn. Bhd.	Related party in substance
Kalabakan Plantation Sdn. Bhd.	Related party in substance
Oscar Kinabalu Sdn. Bhd.	Related party in substance
Bagahak Plantation Sdn. Bhd.	Related party in substance
Saplantco Sdn. Bhd.	Related party in substance
Sawit Ecoshield Sdn. Bhd.	Associate
Eastern Eckare Malaysia Sdn. Bhd.	Associate before April 2023. As the Group's Component since April 2023.
Grape King Bio Ltd.	Related party in substance
Tan Chek Yen	Related party in substance
Peng Shih Hao	Key management personnel

b. Operating revenue

<u>Line Item</u>	<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
		<u>2023</u>	<u>2022</u>
Sales	Related parties in substance		
	Sabah Softwoods Berhad	\$ 387,980	\$ 417,924
	Others	62,147	191,886
	Associate	<u>47,244</u>	<u>29,749</u>
		<u>\$ 497,371</u>	<u>\$ 639,559</u>

The selling price for related parties is calculated with reference to the applicable market price. The credit terms for the related parties are comparable to those for unrelated parties.

c. Purchase of goods

<u>Related Party Category/Name</u>	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Related parties in substance	<u>\$ 37,110</u>	<u>\$ 32,443</u>

Purchases of goods for related parties are calculated with reference to general market conditions. The payment term for the related parties are comparable to those of unrelated parties.

d. Receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade receivables	Related parties in substance	\$ 33,272	\$ 52,307
	Associate	<u>4,541</u>	<u>5,074</u>
		37,813	57,381
Less: Allowance for impairment loss		<u>(218)</u>	<u>(12)</u>
		<u>\$ 37,595</u>	<u>\$ 57,369</u>
Other receivables	Associate		
	Sawit Ecoshield Sdn. Bhd.	\$ -	\$ 218
	Related parties in substance	<u>-</u>	<u>15</u>
		<u>\$ -</u>	<u>\$ 233</u>

The outstanding receivables from related parties are unsecured.

The Group measures the loss allowance for trade receivables from related parties at an amount equal to lifetime ECLs. The expected credit losses on trade receivables from related parties are estimated using a provision matrix prepared by reference to the past default experience of the debtor and the debtor's current financial position. The following table details the loss allowance of trade receivables from related parties based on the Group's provision matrix.

Trade receivables from related parties

December 31, 2023

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 270 Days Past Due	Over 270 Days Past Due	Total
Expected credit loss rate	0.06%	0.64%	3.55%	25.64%	100%	
Gross carrying amount	\$ 35,636	\$ 1,416	\$ 535	\$ 78	\$ 148	\$ 37,813
Loss allowance (Lifetime ECLs)	<u>(22)</u>	<u>(9)</u>	<u>(19)</u>	<u>(20)</u>	<u>(148)</u>	<u>(218)</u>
Amortized cost	<u>\$ 35,614</u>	<u>\$ 1,407</u>	<u>\$ 516</u>	<u>\$ 58</u>	<u>\$ -</u>	<u>\$ 37,595</u>

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	91 to 180 Days Past Due	181 to 270 Days Past Due	Over 270 Days Past Due	Total
Expected credit loss rate	0.02%	-	-	-	-	
Gross carrying amount	\$ 57,381	\$ -	\$ -	\$ -	\$ -	\$ 57,381
Loss allowance (Lifetime ECLs)	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12)</u>
Amortized cost	<u>\$ 57,369</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,369</u>

The movements of the loss allowance of trade receivables from related parties were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	\$ 12	\$ 291
Add: Net provision of loss allowance	210	-
Less: Net remeasurement of loss allowance	-	(285)
Foreign exchange translation differences	<u>(4)</u>	<u>6</u>
Balance at December 31	<u>\$ 218</u>	<u>\$ 12</u>

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31	
		2023	2022
Trade payables	Related parties in substance	<u>\$ 22,429</u>	<u>\$ 7,895</u>
Other payables	Related parties in substance		
	Tan Chek Yen	\$ 10,850	\$ -
	Other	<u>12</u>	<u>-</u>
		<u>\$ 10,862</u>	<u>\$ -</u>

The outstanding payables to related parties are unsecured.

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31	
	2023	2022
Related parties in substance		
Tan Chek Yen	<u>\$ 12,292</u>	<u>\$ -</u>

g. Lease arrangements - Group is lessee

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
<u>Lease expense</u>		
Related parties in substance	<u>\$ 492</u>	<u>\$ 285</u>

The Group leased an employees' dormitory from related parties in substance. The lease agreement was negotiated by both parties, and the rental was paid monthly.

h. Loans to related parties

Related Party Category/Name	December 31	
	2023	2022
Associate		
Sawit Ecoshield Sdn. Bhd.	<u>\$ 6,698</u>	<u>\$ 11,153</u>

Interest income

Related Party Category/Name	For the Year Ended December 31	
	2023	2022
Associate		
Sawit Ecoshield Sdn. Bhd.	\$ 592	\$ 421

The Group provided its associate with unsecured short-term loans at rates comparable to market interest rates. These loans are expected to be collected within one year and assessed that there were no expected credit losses.

i. Other transactions with related parties

Line Item	Related Party Category/Name	December 31	
		2023	2022
Receipts in advance (recognized as other current liabilities)	Related party in substance Grape King Bio Ltd.	\$ 405	\$ -

j. Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 39,172	\$ 40,560

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2023	2022
Financial assets at amortized cost - current	\$ 86,030	\$ 122,579
Land	25,736	26,784
Buildings, net	289,283	308,961
Right-of-use assets	99,888	106,103
	<u>\$ 500,937</u>	<u>\$ 564,427</u>

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group at December 31, 2023 and 2022 were as follows:

Unrecognized commitments were as follows:

	December 31	
	2023	2022
Acquisition of property, plant and equipment	<u>\$ 73,892</u>	<u>\$ 15,101</u>

35. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD: NONE

36. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 12,151	4.7000 (USD:MYR)	\$ 348,723
USD	1,783	15,772 (USD:IDR)	55,193
NTD	495	0.1493 (NTD:MYR)	495

Financial liabilities

Monetary items			
USD	2,939	4.7000 (USD:MYR)	93,153
USD	2,376	15,772 (USD:IDR)	73,571
NTD	498,589	0.1493 (NTD:MYR)	498,589

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 29,255	4.5082 (USD:MYR)	\$ 919,620
USD	1,839	15,930 (USD:IDR)	57,795
NTD	354	0.1435 (NTD:MYR)	354
(Continued)			

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 1,566	4.5082 (USD:MYR)	\$ 50,097
USD	12,751	15,930 (USD:IDR)	400,683
NTD	497,774	0.1435 (NTD:MYR)	497,774
			(Concluded)

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Year Ended December 31				
2023			2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	4.5627 (USD:MYR)	<u>\$ 35,728</u>	4.3954 (USD:MYR)	<u>\$ (52,290)</u>
USD	15,209 (USD:IDR)	<u>\$ 23,184</u>	14,849 (USD:IDR)	<u>\$ (30,279)</u>
NTD	0.1464 (NTD:MYR)	<u>\$ (18,970)</u>	0.1435 (NTD:MYR)	<u>\$ 8,814</u>

37. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others (Table 1)
- 2) Endorsements/guarantees provided (Table 2)
- 3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 3)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (Table 4)
- 6) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 5)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
- 9) Trading in derivative instruments (Notes 7 and 31)
- 10) Intercompany relationships and significant intercompany transactions (Table 6)

- b. Information on investees (Table 7)
- c. Information on investments in mainland China (None)
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 8)

38. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were All Cosmos Industries Sdn. Bhd. (ACI), Sabah Softwoods Hybrid Fertiliser Sdn. Bhd. (SSHF) and others.

The details of the Group's reportable segments were as follows:

a. Segment revenues and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments.

	Segment Revenue		Segment Income	
	For the Year Ended		For the Year Ended	
	December 31		December 31	
	2023	2022	2023	2022
ACI	\$ 1,480,736	\$ 1,872,817	\$ 31,560	\$ 388,724
SSHF	800,029	930,498	67,353	195,133
Others	<u>545,822</u>	<u>899,015</u>	<u>118,715</u>	<u>119,853</u>
	<u>\$ 2,826,587</u>	<u>\$ 3,702,330</u>	217,628	703,710
Interest income			30,417	11,487
Other income			4,944	16,996
Other gains and losses			31,012	(44,647)
Finance costs			(3,983)	(18,810)
Share of profit or loss of associates			5,345	1,932
General administration costs and remuneration of directors			<u>(27,733)</u>	<u>(36,718)</u>
Profit before tax			<u>\$ 257,630</u>	<u>\$ 633,950</u>

Segment revenue reported above represents revenue generated from external customers. The inter-segment sales for the years ended December 31, 2023 and 2022 have both been eliminated.

Segment profit represents the profit before tax earned by each segment without allocation of general administration costs and remuneration of directors, share of profit or loss of associates, interest income, other income, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Segment total assets and liabilities

Segment total assets and liabilities are not provided to the chief operating decision maker and thus not required to be disclosed.

c. Revenue from major products

The following is an analysis of the Group's revenue from its major products.

	For the Year Ended December 31	
	2023	2022
Bio-chemical fertilizers	\$ 2,589,211	\$ 3,544,524
Others	<u>237,376</u>	<u>157,806</u>
	<u>\$ 2,826,587</u>	<u>\$ 3,702,330</u>

d. Geographical information

The Group operates mainly in Malaysia.

The Group's revenue from external customers by location of customers and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Malaysia	\$ 2,464,051	\$ 2,932,533	\$ 632,139	\$ 641,885
Others	<u>362,536</u>	<u>769,797</u>	<u>180,242</u>	<u>46,699</u>
	<u>\$ 2,826,587</u>	<u>\$ 3,702,330</u>	<u>\$ 812,381</u>	<u>\$ 688,584</u>

Non-current assets exclude investments accounted for using the equity method, goodwill, deferred tax assets and refundable deposits.

e. Information on major customers

Single customers contributing 10% or more to the Group's revenue in 2023 and 2022 were as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Group A	NA (Note)	-	\$ 547,984	15
Group B	\$ 387,980	14	417,924	11

Note: The amount of revenue does not reach 10% of the total revenue of the Group.

TABLE 1

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period (Note 2)	Ending Balance (Note 2)	Actual Amount Borrowed (Note 2)	Interest Rate %	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
0	The Company	All Cosmos Industries Sdn. Bhd.	Other receivables from related parties	Yes	\$ 125,914	\$ -	\$ - (Note 3)	3.80	Short-term financing	\$ -	Operating capital	\$ -	-	-	\$ 450,869	\$ 901,737
1	All Cosmos Industries Sdn. Bhd.	Cosmos Biowood Sdn. Bhd.	Other receivables from related parties	Yes	2,679	2,679	- (Note 3)	4.08	Short-term financing	-	Operating capital	-	-	-	538,388	717,851
2	Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	Sawit Ecoshield Sdn. Bhd.	Other receivables from related parties	Yes	10,716	6,698	6,698	6.67	Short-term financing	-	Operating capital	-	-	-	252,463	336,618

Note 1: a The total amount of loans made by the Company to others with short-term financing needs shall not exceed 40% of the net asset value of the Company in its latest financial statements; the financing limit for each individual borrower is 20% of the Company's net asset value in its latest financial statements.

b. The total amount of loans made from the subsidiaries to others with short-term financing needs shall not exceed 40% of the net asset value of the subsidiary in its latest financial statements; the financing limit for each individual borrower is 30% of the subsidiary's net asset value in its latest financial statements.

Note 2: The highest balance for the current period, the ending balance and the actual borrowing amount were translated at the exchange rate at the end of the reporting period.

Note 3: The transactions were eliminated in the consolidated financial statements.

TABLE 2

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guaranteee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 3)	Outstanding Endorsement/ Guarantee at the End of the Period (Notes 2 and 3)	Actual Amount Borrowed (Note 3)	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 1)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship										
0	The Company	All Cosmos Industries Sdn. Bhd.	The Company directly and indirectly hold more than 50% voting share of the investee company.	\$ 1,465,323	\$ 1,043,811	\$ 1,043,811	\$ 59,582	\$ -	46	\$ 2,254,343	Yes	No	No

Note 1: The total amount of endorsements/guarantee provided shall not aggregate more than 100% of the Company's net asset value in its latest financial statement. The total limit on endorsement/guarantee given on behalf of each party shall not exceed 65% of the Company's net asset value in its latest financial statements.

Note 2: The transactions were eliminated in the consolidated financial statements.

Note 3: The maximum amount for the period, the ending balance for the period and the actual borrowing amount were translated at the exchange rate at the end of the reporting period.

TABLE 3

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

(In Thousands of New Taiwan Dollars, Unless Number of Shares and Shareholding Ratio Otherwise Stated)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023			Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	
All Cosmos Industries Sdn. Bhd.	Mutual fund AHAM AIIMAN MONEY MARKET FUND (Formerly known as AFFIN HWANG AIIMAN MONEY MARKET FUND)	None	Financial assets at FVTPL - current	10,806,401	\$ 40,922	-	Note

Note: There is no restriction due to collateral, pledge loan or other arrangement.

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
PT All Cosmos Biotech	Plant	February 7, 2023	NT\$ 209,091 (IDR 104,762,133)	Instalment payments under the contract	PT Trikarya Jaya Sejatierna	Non-related party	-	-	-	\$ -	Not applicable (Note 2)	For business development and operating use	None

Note 1: The transaction was translated at the exchange rate at the end of the reporting period.

Note 2: There was no need to acquire the appraisal report because it was a contract entrusting construction with leasing land.

TABLE 5

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST \$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/ Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
All Cosmos Industries Sdn. Bhd.	PT All Cosmos Indonesia	The company has same ultimate parent company	Sale	\$ (148,018)	(9)	120 days	NA (Same as the Group's usual list prices)	NA (Same as the Group's usual list prices)	\$ 73,795	27	Note
Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	Sabah Softwoods Berhad	Substantive related party	Sale	(387,980)	(47)	60 days	NA (Same as the Group's usual list prices)	NA (Same as the Group's usual list prices)	31,094	36	

Note: The transactions were eliminated in the consolidated financial statements.

TABLE 6

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars and Malaysian Ringgit)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details				% to Total Sales or Assets
				Financial Statement Accounts	Amount in MYR	Amount in NT\$	Payment Terms	
0	The Company	All Cosmos Industries Sdn. Bhd.	a	Endorsement/guarantee	\$ 155,850	\$ 1,043,811	Cash dividend	28
		All Cosmos Industries Sdn. Bhd.	a	Investments accounted for using equity method	15,000	99,859		3
		PT All Cosmos Biotek	a	Investments accounted for using equity method	17,695	121,836		3
		Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	a	Investments accounted for using the equity method	3,300	22,735		1
1	All Cosmos Industries Sdn. Bhd.	PT All Cosmos Indonesia	c	Sales revenue	21,674	148,018	Sales price is based on market price and transfer pricing within the Group; payment terms is net 120 days	5
		Eastern Eckare Malaysia Sdn.Bhd	c	Trade receivables	11,018	73,795		2
2	Arif Efektif Sdn. Bhd.	All Cosmos Industries Sdn. Bhd.	c	Investments accounted for using equity method	2,500	17,223	Capital injection	-
		Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	c	Sales revenue	1,679	11,467	Sales price is based on market price and transfer pricing within the Group; payment terms is net 60 days	-
3	Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	All Cosmos Industries Sdn. Bhd.	c	Sales revenue	4,635	31,656	Sales price is based on market price and transfer pricing within the Group; payment terms is net 30 days	1
		All Cosmos Industries Sdn. Bhd.	c	Sales revenue	3,672	25,075	Sales price is based on market price and transfer pricing within the Group; payment terms is net 60 days	1

Note 1: Business relationship between the parent company and its subsidiaries are coded as follows:

- a. The Company (parent company) is "0".
- b. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

(Continued)

Note 2: The relationship between transaction company and counterparty is classified into the following three categories:

- a. The Company to subsidiary.
- b. Subsidiary to the Company.
- c. Subsidiary to another subsidiary.

Note 3: For balance sheet items, the percentage column shows the percentage of ending balance of the item to the consolidated total assets; for income statement items, this column shows the percentage of the accumulated amount of the transactions in the reporting period to the consolidated total operating revenue for the reporting period.

Note 4: All assets and liabilities were translated at the exchange rate (MYR1=NT\$6.697538) at the end of the reporting period. All net income statement items were translated at the average exchange rate (MYR1= NT\$6.829155).

Note 5: The transactions were eliminated in the consolidated financial statements.

Note 6: This table disclosed significant transactions with amounts of at least NT\$10,000 thousand.

(Concluded)

ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount December 31, 2023		December 31, 2022		As of December 31, 2023		Share of Profit (Loss)	Note
				\$	(MYR)	\$	(MYR)	Number of Shares	%		
The Company	All Cosmos Industries Sdn. Bhd.	Johor Bahru, Malaysia	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	\$ 292,969	(MYR 30,000)	\$ 292,969	(MYR 30,000)	30,000,000	100	\$ 54,872 (MYR 8,035)	80,644 (MYR 11,809)
	Sabah Softwoods Hybrid Fertiliser Sdn. Bhd.	Lahad Datu, Malaysia	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	\$ 292,053	(MYR 33,000)	\$ 292,053	(MYR 33,000)	33,000,000	55	\$ 56,544 (MYR 8,280)	32,125 (MYR 4,704)
	PT All Cosmos Indonesia	North Sumatra, Indonesia	Sales of Bio-organic and Bio-chemical compound fertilizers	\$ 9,925	(MYR 9,925)	\$ 9,925	(MYR 9,925)	79,200	99	\$ 36,350 (MYR 5,323)	35,987 (MYR 5,270)
	PT All Cosmos Biotech	North Sumatra, Indonesia	Manufacturing and sales of Bio-organic and Bio-chemical compound fertilizers	\$ 241,765	(MYR 241,765)	\$ 119,929	(MYR 119,929)	108,640	83	\$ 4,357 (MYR -638)	-2,269 (MYR -332)
	GK Bio International Sdn. Bhd.	Kuala Lumpur, Malaysia	Wholesale of probiotics	\$ 26,048	(MYR 26,048)	\$ 26,048	(MYR 26,048)	3,600,000	60	\$ 59,100 (MYR 8,665)	35,495 (MYR 5,198)
All Cosmos Industries Sdn. Bhd.	PT All Cosmos Indonesia	North Sumatra, Indonesia	Sales of Bio-organic and Bio-chemical compound fertilizers	\$ 102	(MYR 102)	\$ 102	(MYR 102)	800	1	\$ 36,350 (MYR 5,323)	363 (MYR 53)
	Arif El'ektir Sdn. Bhd.	Johor Bahru, Malaysia	Research and development of effective microorganisms for Bio-organic and Bio-chemical compound fertilizers	\$ 2,349	(MYR 2,349)	\$ 2,349	(MYR 2,349)	245,000	49	\$ 3,910 (MYR 573)	947 (MYR 139)
	Kinabalu Life Sciences Sdn. Bhd.	Lahad Datu, Malaysia	Research and development of effective microorganisms for waste disposal of oil-palm	\$ 17,559	(MYR 17,559)	\$ 17,559	(MYR 17,559)	2,400,000	60	\$ 260 (MYR 38)	325 (MYR 48)
	Cosmos Biowood Sdn. Bhd.	Johor Bahru, Malaysia	Manufacturing and sales of health care food and research and development biotechnology	\$ 8,457	(MYR 8,457)	\$ 3,015	(MYR 3,015)	1,200,000	92	\$ -137 (MYR -20)	-112 (MYR -16)
	Eastern Eckare Malaysia Sdn. Bhd.	Kuala Lumpur, Malaysia	Sales of health care food and cosmetics	\$ 30,724	(MYR 30,724)	\$ 13,501	(MYR 13,501)	4,500,000	60	\$ 29,880 (MYR 4,461)	559 (MYR 82)
	Sawit Ecoshoield Sdn. Bhd.	Lahad Datu, Malaysia	Manufacturing and sales of biological vaccines	\$ 14,788	(MYR 14,788)	\$ 14,788	(MYR 14,788)	2,000,000	40	\$ 14,822 (MYR 2,170)	5,975 (MYR 875)

Note 1: The transactions were eliminated in the consolidated financial statements.

Note 2: Realized/unrealized gross profit on intercompany transactions were included in the carrying amount and share of profit or loss.

Note 3: A subsidiary with a material non-controlling interest.

Note 4: The transactions were eliminated in the consolidated financial statements, besides the share of profit or loss recognized before business combinations.

TABLE 8**ALL COSMOS BIO-TECH HOLDING CORPORATION AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS****DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
All Cosmos Investment Ltd.	22,500,001	35.13
Oil Palm Plantation Ltd.	7,500,000	11.71
Maxtrength Corp.	4,500,000	7.02

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

TABLE 8**ALL COSMOS BIO-TECH HOLDING CORPORATION AND
SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
All Cosmos Investment Ltd.	22,500,001	35.13
Oil Palm Plantation Ltd.	7,500,000	11.71
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Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.